



RESPONSIBLE INVESTING AT UNIGESTION



Table of Contents

| | |
|--|---------------|
| RESPONSIBLE INVESTING AT UNIGESTION..... | 4 |
| ESG Beliefs | 4 |
| ESG Definitions | 4 |
| ESG Score: Internal Assessments and External Ratings | 6 |
| Evolution of ESG Investing..... | 6 |
| Regulatory Framework of ESG | 7 |
| Responsible Commitment | 8 |
| Governance & Objectives | 10 |
| ESG Reporting | 11 |
| RESPONSIBLE INVESTMENT PROCESS | 12 |
| General Process..... | 12 |
| ESG Risk Identification and Assessment (Integration) | 16 |
| Risk Management..... | 22 |
| Risk Monitoring..... | 23 |
| INFORMATION ON THE CONSIDERATION OF ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS | 24 |
| ‘No consideration of adverse impacts of investment decisions on sustainability factors’ (Art. 4 (1) (b) SFDR) | 24 |
| DISCLOSURES FOR ART. 8 / 9 SFDR PRODUCTS | 25 |
| Overview..... | 25 |
| Article 8 & 9 SFDR framework..... | 25 |
| Current list of Article 8 & 9 SFDR products | 26 |
| ANNEX I..... | 27 |
| Detailed Process for Equity Strategies | 27 |
| ANNEX II | 31 |
| Detailed Process for Sovereign Bonds | 31 |



| | |
|--|----|
| ANNEX III | 33 |
| Detailed Process for Private Equity Strategies | 33 |
| APPENDIX | 44 |
| Relevant Documents | 44 |
| Pillar I Norm Based Definitions | 45 |
| SFDR Glossary | 46 |
| IMPORTANT INFORMATION | 48 |



RESPONSIBLE INVESTING AT UNIGESTION

ESG Beliefs

Asset managers like Unigestion represent a crucial link between investors and the financing needs of the real economy. As such, our industry will increasingly be assessed on the values it upholds, the ethics it promotes and the wider role it has to improve the society we all live in.

As long-term stewards of our clients' capital, we believe we have a duty to both deliver attractive returns and to support the sustainable development of our economy. By doing so, we can influence the companies we invest in and help solve social and environmental problems.

Well-governed businesses with responsible practices can make a positive contribution to our clients' portfolios over the long term. Sustainability will be a long-term driver for change in markets, countries, sectors and companies, creating significant opportunities for fruitful investment.

Integrating ESG is a process we have honed since launching our first responsible equity product in 2004. Since then we have evolved our approach across the different asset classes we cover; integrating ESG considerations in private equity, bonds and some parts of the liquid alternative space.

We integrate ESG considerations throughout all of our investment processes - from universe screening and investment selection to portfolio construction and engagement.

We approach ESG in the same way as all investment risk, carefully assessing the potential impacts and opportunities through a combination of systematic and discretionary analysis, research and monitoring.

This document provides detail on this approach, as well as outlining the evolution of ESG investing at Unigestion and how we have responded to the changing regulatory environment. ESG risks are complex and rapidly evolving, and our approach to them will similarly evolve over time.

ESG Definitions

We recognise that the subject of ESG and sustainability is a complex and multifaceted topic affecting different areas of our organisation in various ways. While entirely clear-cut definitions are not always possible due to the nature of the topic, we generally use the following concepts in our sustainability framework:

Our definition of **sustainability** is based on the common definition included in the Brundtland Report¹: "*Sustainable development is development that meets the needs of the present without compromising the needs of future generations to meet their own needs*".

The **Sustainable Development Goals (SDGs)**², also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.

Countries have committed to prioritize progress for those who're furthest behind. The SDGs are designed to end poverty, hunger, AIDS, who are discriminating against women and girls.

There are 17 goals with specific targets, many of which are about country policy and therefore may not be addressed through corporates. Still, companies may contribute to a limited number of targets.

¹ Report of the World Commission on Environment and Development: Our Common Future (1987)

Figure 1: SDG categories



Source: Website UN

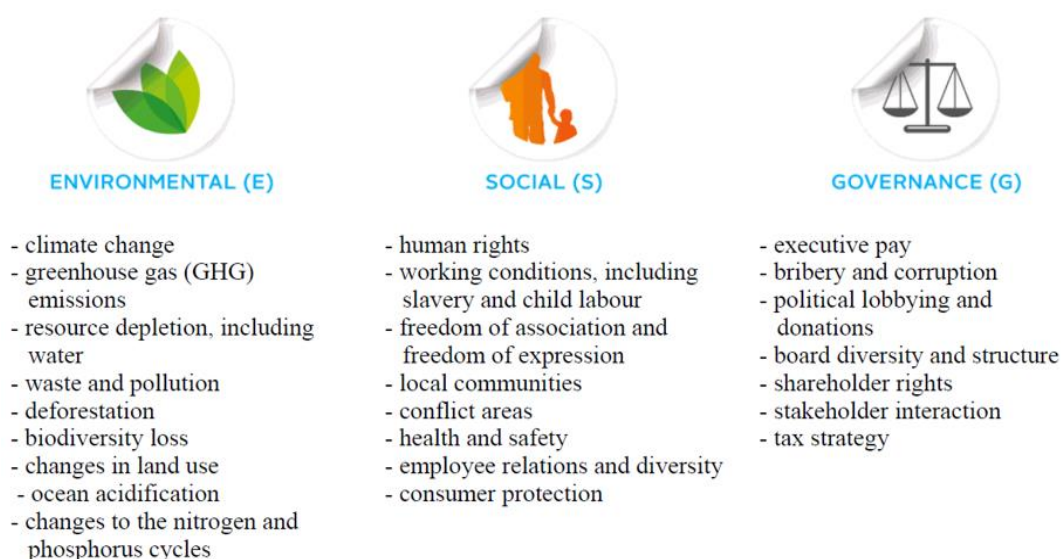
SDGs are the ultimate route to Sustainability, while on the day-to-day basis they could be broadly considered in investment terms as **ESG (Environmental, Social, Governance)** elements. With this in mind, we refer to the definition provided by the EU Commission²:

"Although there is no universal definition of ESG factors within the investment industry, it is widely accepted that ESG factors are a universal concept that include a range of environmental, social and governance factors as illustrated in Figure 2. According to the United Nations Environment Programme (UNEP) Inquiry and the United-Nations-backed Principles for Responsible Investment (UNPRI), ESG factors are broadly defined as follows:

- (i) **Environmental (E)** issues relate to the quality and functioning of the natural environment and natural systems;
- (ii) **Social (S)** issues relate to the rights, well-being and interests of people and communities; and
- (iii) **Governance (G)** issues relate to the governance of companies and other investee entities."

ESG indicators include, but are not limited to, the below:

Figure 2: ESG indicators



Source: UNPRI (2018b)

Environmental, social, and governance (ESG) criteria are a set of standards for a company's behaviour.

² Chapter 1.2 EU Commission Impact Assessment SWD (2018) 264 final, 24.5.2018



It indicates how a company **operates** overall and therefore the non-financial **quality** of a corporate organisation.

In addition to how a company operates, it is important to understand the sense of duty to positively serve society as a whole, environmentally or socially. This is known as **impact**.

It indicates how a company can make **positive social change** and aid society with its products & services; **positive externalities**.

It is viewed as either:

Depth: Helping society to a greater degree than usual

Breadth: Helping a wider range of the society

ESG Score: Internal Assessments and External Ratings

We use external environmental, social and governance raw data, scores or qualitative information as an input into our internal assessment process. Prior to using external ESG-related data we carefully assess the data source and the methodology of the external provider. Once we decide to use the service provider, their external data will never lead to our mechanistic reliance on that ESG assessment. Instead we use external data as an additional, but not the sole, source for our internal assessments.

We currently work with the following external ESG data sources for our equity and multi-asset strategies:

- ▶ Sustainalytics
- ▶ Trucost
- ▶ ISS
- ▶ TPI
- ▶ World Bank
- ▶ FAIRR

Due to scarcity of the external data, for our private equity strategies, we access the data directly through the investments.

In our ESG criteria evaluation for companies, in general, we focus on materiality of criteria for different businesses. In 2021, we joined alliance with Sustainability Accounting Standards Board (SASB). SASB is an independent non-profit organisation that sets standards to guide the disclosure of financially material sustainability information by companies to their investors. SASB standards identify the subset of ESG issues most relevant to financial performance in each of 77 industries. SASB also provides education and other resources that advance the use and understanding of its standards. This is of particular interest to our private equity especially concerning direct investments and sector focused funds.

We build our ESG scores for companies and countries internally with the data provided externally as explained above.

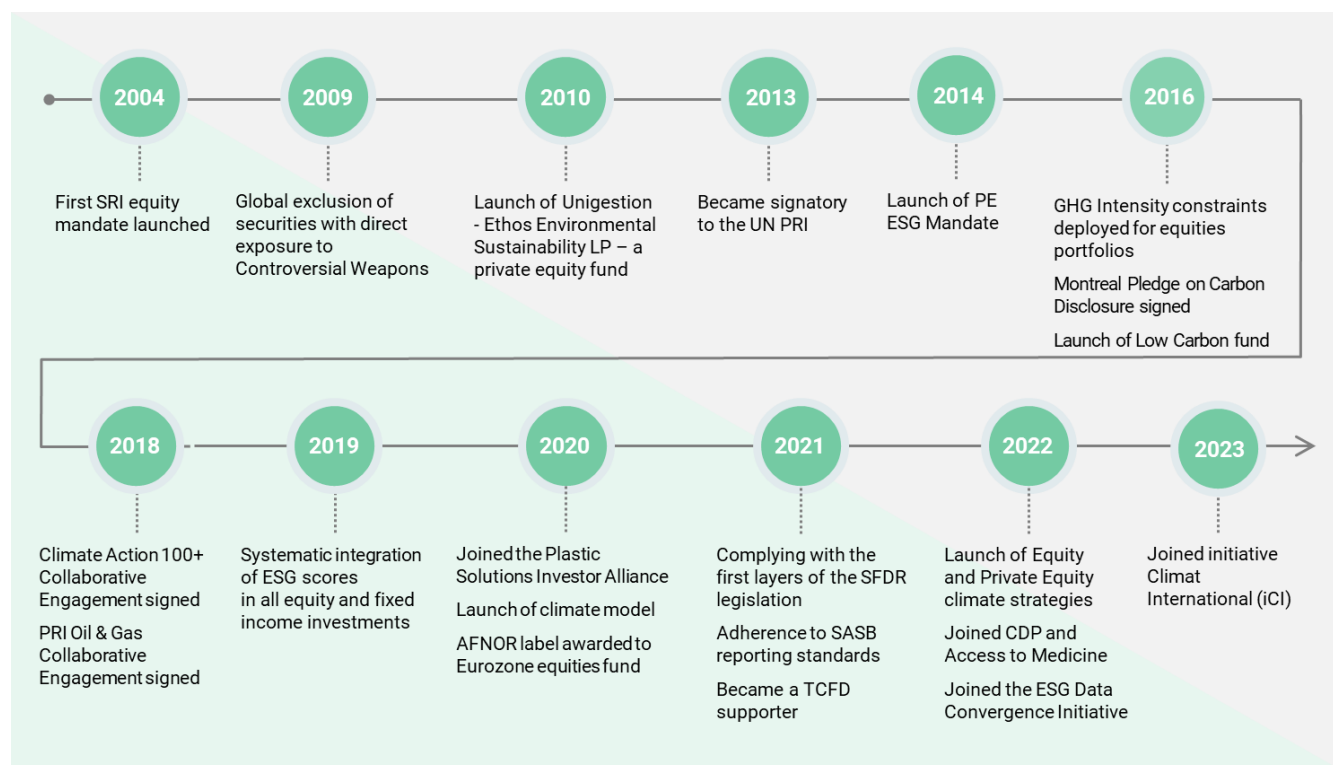
We use SASB materiality map for our ESG evaluation of companies, whether public or private.

The ESG score methodology can be downloaded from our corporate website with the link provided in the Appendix.

Evolution of ESG Investing

Unigestion has been an active proponent of responsible investing since launching our first socially responsible investment (SRI) mandate in 2004. Since then, we have introduced a number of initiatives and products, signed the United Nation's Principles for Responsible Investment (UN PRI) in 2013 and significantly accelerated our SRI-related activities since 2016. The regulatory ESG developments in the EU, in particular after 2019, further sharpened our focus on the different ESG dimensions.

Figure 3: Responsible investment timeline at Unigestion



Investing responsibly is now ingrained into everything we do; from the integration of the UN PRI into our investment processes for both standard and customised products, to the promotion of these practices internally and externally.

Regulatory Framework of ESG

EU Sustainable Finance frameworks (e.g. Sustainable Finance Disclosure Regulation (SFDR) and Taxonomy Regulation)

Environment, Social and Governance (ESG) has become a key topic over the last decade. Not only is it at the center of our personal lives but it has also become a main point of focus for the financial and fund industries.

Considering the increased popularity of ESG considerations, the EU introduced Sustainable Finance regulations the objective of which is to ensure that financial market participants are able to finance growth in a sustainable manner over the long term while combating “greenwashing” through transparency on sustainability.

Unigestion is headquartered in Switzerland and, from a legal perspective, only certain parts of Unigestion group’s business are directly subject to EU Sustainable Finance regulation.

However, we are implementing ESG processes at Group level and all Unigestion entities regardless of location will be covered by this document as we believe that adopting EU Sustainable Finance regulations as our benchmark brings consistency and simplicity to our practices for the benefit of both clients and employees.

As a result, we have been analysing and implementing, where necessary, the applicable regulatory frameworks including but not limited to:

- ▶ Regulation (EU) 2019/2088 (hereinafter Sustainable Finance Disclosure Regulation “**SFDR**”) and its implementing provisions, notably Delegated Regulation (EU) 2022/1288 (often also called “**SFDR RTS**”)
- ▶ Regulation (EU) 2020/852 (hereinafter Taxonomy Regulation “**Taxonomy**”) and its implementing provisions, notably Delegated Regulation (EU) 2021/2139 (often also called “**Climate Delegated Act**”)
- ▶ Integration of sustainability risk and factors into regulatory frameworks for AIFMs, UCITS ManCos and MiFID investment firms, etc.
- ▶ Consultations and guidance by European Supervisory Authorities ESAs (e.g. consultation on ongoing changes to SFDR RTS and Taxonomy and guidance on EU Sustainable Finance frameworks)
- ▶ National Frameworks (e.g. BaFin Guidance Notice on sustainability risks in Germany, AMF Position-Recommendation 2020-03)

SFDR has introduced sustainability-related disclosure obligations (e.g. in relation to sustainability risks and adverse impacts of investment decisions on sustainability factors). In general, SFDR applies to all financial market participants and financial products in

Read more of our latest investment thinking online: www.unigestion.com/insights



scope regardless of their sustainability ambition. For example, all financial market participants and financial products in scope must disclose information on the integration of sustainability risks. In addition, there is a clear typology with a dedicated set of disclosure rules for financial products promoting environmental/social characteristics (Article 8 SFDR) or having sustainable investment as their objective (Article 9 SFDR).

The financial product typology under SFDR can be summarised as follows:

| | |
|-------------------------------------|---|
| General product (Article 6 SFDR) | The financial product neither promotes environmental/social characteristics (Art. 8 SFDR) nor has sustainable investment as its objective (Art. 9 SFDR). |
| Article 8 SFDR products | <div>The financial product promotes environmental and/or social characteristics.<div><div>Article 8 SFDR products</div><div>Promotion of environmental/social characteristics (Article 8 SFDR)</div><div>=</div><div>Invests in line with promoted environmental/social characteristics</div><div>+</div><div>Good governance of investee companies</div></div></div> |
| Article 9 SFDR products | <div>The financial product has sustainable investment as its objective and makes sustainable investments.<div><div>Sustainable investments (Article 9 SFDR)</div><div>=</div><div>Investments contribute to environmental/social objective</div><div>+</div><div>Do no significant harm (SFDR DNSH)</div><div>+</div><div>Good governance of investee companies</div></div></div> |

Goals, performance measurement & remuneration policies

The SFDR does not only deal with financial products but also on how we organise ourselves as a company in relation to sustainability. Please see below on our policies on the integration of sustainability risks in our investment decision-making process (Article 3 SFDR) and our Information on Principal Adverse Impacts (PAI) (Article 4 SFDR). As per Article 5 SFDR, our remuneration policies are consistent with the integration of sustainability risks since the annual objectives of investment professionals and the annual performance evaluations take into account the integration of sustainability risks. In addition, the remuneration package for investment professionals is directly linked to the sustainability-related performance of financial products

The Remuneration Policy can be downloaded from our corporate website with the link provided in the appendix.

Responsible Commitment

We believe that well-governed businesses with responsible practices can make a positive contribution to our clients' portfolios over the long term. Sustainability will be a long-term driver for change in markets, countries, sectors and companies, creating significant opportunities for fruitful investment.

Unigestion has increased its commitment to responsible investment since joining the UN PRI in 2013

Active consideration of responsible investing with our stakeholders is an important part of our ESG framework. In addition, it is a key component of the UN PRI. We are committed to adhering to the Principles as long as they are consistent with our fiduciary duties:

- ▶ We incorporate ESG criteria into investment analysis and decision-making processes.
- ▶ We are active owners and incorporate ESG issues into our ownership policies and practices.
- ▶ We seek appropriate disclosure on ESG issues by the entities in which we invest.
- ▶ We promote acceptance and implementation of the principles within the investment industry.
- ▶ We work together to enhance our effectiveness in implementing the principles.
- ▶ We report on our activities and progress towards implementing the principles.



Currently, the UN PRI has 5,319 signatories representing USD 121.3 trillion in AUM, globally³. PRI Assessment Reports provide signatories with invaluable feedback regarding implementation of SRI practices. Figure 4 below summarises our score and highlights the extent of our efforts to integrate the UN PRI into our investment activities.

We actively use the feedback we receive annually to review and improve our internal processes.

Figure 4: Summary scorecard of PRI Assessment Report for 2021

| Category | StarRating | Unigestion Score/100 | Peer Median Score/100 |
|--|------------|----------------------|-----------------------|
| Investment & Stewardship Policy | ★★★★★ | 65 | 60 |
| Direct Liquid Equity - Active Quantitative – Incorporation | ★★★★★★ | 92 | 65 |
| Direct Liquid Equity - Active Quantitative – Voting | ★★★★★ | 71 | 61 |
| Direct Fixed Income – SSA | ★★★★ | 60 | 50 |
| Direct – Private Equity | ★★★★★★ | 91 | 66 |
| Direct Hedge Fund – Multi-Strategy | ★★★★★ | 67 | 21 |
| Direct Hedge Fund – Long/Short – Voting | ★★★★ | 52 | 0 |
| Indirect – Private Equity | ★★★★★★ | 94 | 63 |
| Indirect – Hedge Fund | ★★★★★ | 77 | 34 |

Our complete PRI Transparent and Assessment Reports are available at <https://www.unigestion.com/responsible-investment/policies-and-reporting/>

Furthermore, Unigestion has committed to be a supporter of the Task Force on Climate-related Financial Disclosures (TCFD). Climate change presents financial risk to the global economy. Therefore, financial markets need clear, comprehensive, high-quality information on the impacts of climate change. This includes the risks and opportunities presented by rising temperatures, Climate-related policy, and emerging technologies in our changing world. The TCFD was created to improve and increase reporting of Climate-related financial information.

An active participant in the wider ESG community

We believe that our commitment also involves playing an active role in the development and promotion of ESG principles across the investment industry. We are members of Swiss Sustainable Finance, created to promote sustainability in the Swiss financial market and to strengthen Switzerland's position as a leading centre worldwide for sustainable finance. Since 2017, we have also been a member of Sustainable Finance Geneva, which promotes Geneva as a hub for sustainable finance.

Further, we strive to actively drive engagement by promoting our views on ESG topics at industry events, including:

- ▶ PRI in Person, London, September 2015
- ▶ PRI, Stockholm, June 2017
- ▶ "Switzerland, Home of the Green Economy?", Geneva, February 2018
- ▶ Geneva Forum for Sustainable Investment, Geneva, May 2018
- ▶ Building Bridges Summit, Geneva, October 2019
- ▶ IMD Alumni: "how the investment world is changing in order to integrate ESG consideration", Virtual, October 2020
- ▶ IM Power: "Future-proofing businesses in the face of ESG", Virtual, October 2020
- ▶ Building Bridges Summit, Geneva, November-December 2021
- ▶ Building Bridges Summit, Geneva, November 2022
- ▶ PRI in Person, Barcelona, November 2022

³ Source: <https://www.unpri.org/pri/about-the-pri>; as at 09.12.2021.



Educating our people

All new joiners to Unigestion learn about the importance of responsible investing at a dedicated session on their company induction day.

Governance & Objectives

ESG is a priority for Unigestion and as a result, we have established a strong governance framework that empowers our sustainable values and beliefs at the highest level of the Group. Therefore, the Sustainable Committee reports directly to the Executive Committee (ExCo). As the ExCo is the highest decision-making committee within the Unigestion Group, its decisions then apply at all levels of the companies of the Group, in each area of investment expertise and controlled by the risk department.

You will find hereunder the responsible governance hierarchy:

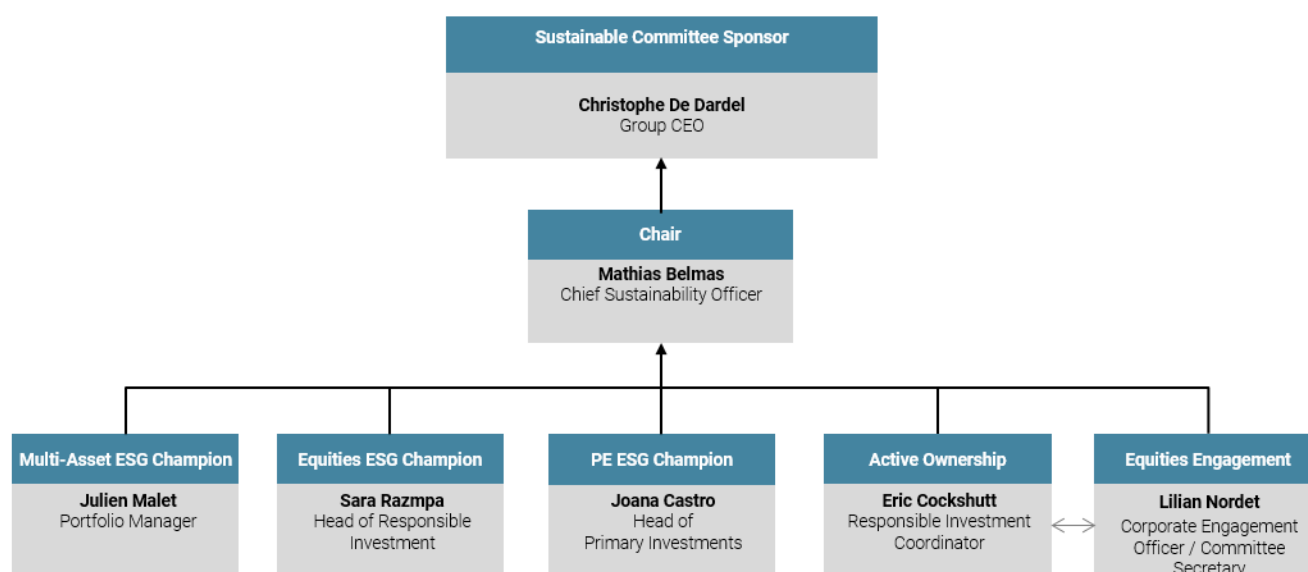
| Function | Role & Responsibilities |
|--|--|
| Sustainable Committee | <ul style="list-style-type: none"> ▶ Advise the Executive Committee (ExCo) on defining the approach to responsible investment and sustainability at Group level ▶ Propose ESG strategies and integration methodologies to ExCo and develop the firm's ESG framework ▶ Introduce ESG considerations within investment decision-making processes in a well-structured and aligned way ▶ Responsible for ESG implementation on behalf of ExCo, whether customized or regulatory |
| Executive Committee | <ul style="list-style-type: none"> ▶ Ultimate responsibility and oversight of all ESG-related activities ▶ Takes strategic decisions on ESG integration based on Sustainable Committee recommendations ▶ Communicates the final decisions to the Investment Committee (IC) ▶ Monitors IC implementation |
| Investment Committees / Portfolio managers (PM) | <ul style="list-style-type: none"> ▶ Implement ExCo decisions according to investment line particularities under consideration of ESG specifics |
| Risk Management (RM) | <ul style="list-style-type: none"> ▶ Daily monitoring of adherence to investment guidelines implied by the overarching ESG strategy (pre + post trade control) ▶ The ability to alert or block trades, should thresholds be reached or nearing limits ▶ Independent monitoring of sustainability risks at asset level across all strategies |

Our Sustainable Committee leads the development and integration of SRI principles into all key processes including investment and risk management across the relevant entities and products. Composed of senior management, including our CEO, the Committee has published this ESG policy, which establishes the following three principles to guide our activities:

- ▶ We integrate **ESG risks** throughout the organisation, including investment decision-making processes
- ▶ We **actively engage** and exercise investors' rights as shareholders by voting at shareholder meetings through our customised proxy voting policy, and engaging directly and collaboratively with investee companies and relevant stakeholders
- ▶ Where possible, we aim to **increase positive impacts** and to **reduce negative impacts**. However, the scope and nature of these processes are determined at a product level
- ▶ We consider ESG best practices by aligning our investment policy with the philosophy of the **UN PRI** and by being an active **member of industry-wide movements** such as Sustainable Finance Geneva and Swiss Sustainable Finance.



Figure 5: Sustainable Investment Committee flowchart



ESG Reporting

In accordance with the SFDR, dedicated processes have been set up to monitor and report properly internally and externally.

Internally, ESG aspects are reported via different routes including:

- ▶ Pre-investment proposals
- ▶ Regular risk reporting
- ▶ Internal meetings on operational and management levels

Externally, ESG aspects are disclosed to our investors and external stakeholders in accordance with regulatory requirements:

Unigestion's company-level disclosures

- ▶ Article 3 SFDR: Sustainability risks management (in this document)
- ▶ Article 4 SFDR: Information on adverse impacts of investment decisions on sustainability factors
- ▶ Article 5 SFDR; Integration of sustainability risks in the remuneration policy (website)

Product disclosures

- ▶ Article 6 SFDR: Sustainability risks disclosures in fund documents
- ▶ Article 8-11 SFDR: Transparency of the promotion of environmental/social characteristics (Article 8 SFDR funds) or of sustainable investments (Article 9 SFDR funds) in fund documents, on the website and in annual reports, where relevant

In addition to regulatory reporting, we provide ESG reporting of all our liquid products on a monthly basis and all our illiquid products (except if these are in liquidation process or close to it) on an annual basis.

On a voluntarily basis, we provide the newly suggested "Swiss Climate Score" for all our products.



RESPONSIBLE INVESTMENT PROCESS

General Process

Entity level

We believe that integrating ESG criteria is about more than simply providing responsible investment services – it's our deeply held conviction that we need to act responsibly in everything we do.

We are continuously striving to reduce our carbon footprint in the buildings we use, the natural resources that our offices consume, and the impact of our employees on the move. To reduce the environmental impact of our premises, we look closely at both the buildings themselves and the use of resources in our offices.

We believe that a company's most important asset is its people. We seek to provide a working environment built on trust, respect, support and empowerment in which our employees can thrive and achieve their full potential. Our commitment to ongoing research and innovation helps create a dynamic environment where new ideas are welcomed and developed and learning never stops.

We are convinced that good corporate governance provides long-term shareholder value, sustainable partnerships with our clients, resilience of our business, responsible long-term development of our human talent pool and respectful relations with other stakeholders.

Our Corporate Social Responsibility Policy covers those topics that matter most to our stakeholders; our clients, employees, shareholders, portfolio companies, and regulatory partners. It explains how ESG considerations are integrated into different layers of our company.

The Corporate Social Responsibility Policy can be downloaded from our corporate website with the link provided in the Appendix.

Product level

In order to harmonize ESG efforts across all investment lines, our Sustainable Committee has defined a guideline to address ESG considerations within all asset classes. The aim is for ESG considerations to emerge in all of our investment processes in a harmonized approach, starting with four Pillars:



Pillar I: Norm-based screening (bottom-up / all asset classes)

In addition to guiding and monitoring ESG implementation across all investment activities, the Sustainable Committee is also accountable for validating companywide policies on sector and activity exclusion.

Norm-based screening is the process of excluding instruments associated with key social or environmental issues. According to the European Sustainable Investment Forum, it is the “screening of investments according to their compliance with international standards and norms”.

We believe such exclusions should be applied across the firm and all direct assets we manage for our clients, excluding investments in funds, which may not control for these subjects.

For indirect exposures, Unigestion supports any initiative to promote the use of indices which do not comprise any of these activities.

Below is a list of exclusions applied across all investment lines since 2019.

Figure 6: Exclusions applied across all investment activities



| Exclusions | Description |
|---|--|
| UN Global Compact Non-Compliant | <i>Human Rights*</i> Businesses that do not support and respect the protection of internationally recognised human rights or are complicit in human rights abuses |
| | <i>Labour*</i> Businesses that do not uphold: <ul style="list-style-type: none"> ▶ the freedom of association and the effective recognition of the right to collective bargaining ▶ the elimination of all forms of forced and compulsory labour ▶ the effective abolition of child labour ▶ the elimination of discrimination in respect of employment and occupation |
| | <i>Environment*</i> Businesses that do not: <ul style="list-style-type: none"> ▶ support a precautionary approach to environmental challenges ▶ undertake initiatives to promote greater environmental responsibility ▶ encourage the development and diffusion of environmentally friendly technologies |
| | <i>Anti-Corruption*</i> Businesses with any corruption allegation, including extortion and bribery |
| Controversial Weapons** | Businesses that manufacture, distribute or sell controversial arms or ammunitions such as cluster bombs, landmines, depleted uranium, etc. |
| Adult Entertainment Producers*** | Businesses principally engaged in the production of pornography |
| Tobacco Producers*** | Businesses principally engaged in the manufacturing of, or trading in, tobacco |
| Thermal Coal*** | Businesses with more than 10% of their total revenue derived from thermal coal |
| Predatory Lending*** | Businesses directly involved in unethical lending practices that impose unfair and abusive loan terms on borrowers. |

* As described by UN Global Compact Principles (UNGC), Source: Sustainalytics or other publicly available sources

** Sources: NBIM, Sustainalytics or other publicly available sources

*** Source: Sustainalytics, Trucost or other publicly available sources

In case of any doubt regarding information acquired from external data providers, our analysts will perform a thorough search of the subject, including direct discussions with the company, brokers and review of publicly available material of the company as well as other sources of information.

For ESG criteria, Unigestion is using certain data sources which were chosen following a detailed due diligence of processes of the provider. However, our clients may use other data sources, which at some instances may result in different outcomes compared to the ones Unigestion uses. In case of mandates, Unigestion is managing the accounts on behalf of its clients. If a client's view, based on their data source, is contradicting Unigestion's view based on its own data source, the client's view would prevail. Treatment of divergences would nevertheless be the subject of a written confirmation with the client in order to ascertain the same level of understanding of the situation.

A full definition of each topic can be found in the appendix.

Norm-based screening implementation

These standards are implemented on a best-effort basis, taking into account local regulation and both a client's as well as fund's best interests, with a transition period following their initial implementation for the funds / mandates in scope, and following periodic revisions of the exclusion lists. If the application of this standard dictates divestments, portfolio managers shall disinvest at their discretion within this transition period taking into account the portfolio impacts based on market conditions, liquidity and portfolio construction constraints. In practice, some targeted instruments could remain in the funds or mandates for a period if deemed in the best interest of clients.

PM performs the initial analysis, RM reviews the framework initially and implements pre- and post-trade checks on a daily basis.

Pillar II: exclusionary screening (bottom-up / asset class specific)

Negative or exclusionary screening is the process of excluding instruments from an investment universe based on our expectations regarding specific ESG-related risks to a particular asset class.

Further to norm-based screening, Unigestion considers various such exclusions in each asset class. This is described in this document for each asset class in the following sections.

PM performs the initial analysis, RM reviews the framework initially and implements pre- and post-trade checks on a daily basis.

Pillar I and II are bottom up applications.

Pillar III: portfolio-level ESG guidelines (top-down / asset class specific)

We require our portfolios in each asset class to maintain an ESG score that is higher than a pre-defined benchmark on an ongoing basis. This is achieved through a continuous positive tilt to investments with better ESG scores and a negative tilt to the ones with the worst ESG scores.

Read more of our latest investment thinking online: www.unigestion.com/insights



In the majority of our investments, when applicable, we also maintain a control on the greenhouse gas (GHG) intensity or carbon emissions versus a reference on an ongoing basis.

PM does the deep dive based on various information (ESG ratings, research and newspapers, dialogue with companies), RM assesses it via independent stress tests (climate risk), performs standard checks based on investment guidelines. On a case-by-case basis and may challenge PM on the materiality principle.

Pillar IV: active ownership/ parallel efforts (all asset classes)

Unigestion aims to be an active owner of companies on ESG issues where we have a reasonable chance of influencing their behaviour and positioning positively.

We believe that in the long term, this process will contribute positively to our portfolios' risk/return profile.

When the process doesn't involve companies, we have other parallel considerations such as investing in green bonds in the case of sovereign investments which is considered relevant to the asset class.

Overall, our Pillar IV comprises of all of our efforts and activities beyond an ESG scoring.

All strategies

Unigestion believes that collective action by investors with mutual interests can enhance engagement efforts. As such, we contribute to the following collaborative initiatives:

- ▶ Since 2018, we have been a participant in the **Climate Action 100+** initiative, together with a further 700 signatories representing USD 68 trillion of investments. This project, led by both asset managers and asset owners, aims to engage with 166 of the world's largest corporate greenhouse gas emitters to curb emissions, strengthen climate-related financial disclosures and improve governance on climate change. We have been a supporting investor in the engagement with the Canadian oil & gas producer and distributor, Enbridge.
- ▶ We are strong believers that climate change is a risk that must be measured and managed. As such, we are pleased to support the work of the **Transition Pathway Initiative**, as its deep analysis aids us in making informed investment decisions and provides a rich background for our engagement initiatives
- ▶ **Carbon Disclosure Project** (CDP) is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. The world's economy looks to CDP as the gold standard of environmental reporting with the richest and most comprehensive dataset on corporate and city action. We joined this initiative in 2022.
- ▶ Established by the Jeremy Collier Foundation, the **FAIRR Initiative** is a collaborative investor network that raises awareness of the environmental, social and governance (ESG) risks and opportunities brought about by intensive livestock production. We have been a supporting investor in the sustainable protein engagement with Nestlé.
- ▶ During 2022, we began work with the **Access to Medicine Foundation** which stimulates and guides pharmaceutical companies to do more for the people living in low- and middle-income countries without access to medicine.
- ▶ In 2020, we joined the **Plastic Solutions Investor Alliance**, an international coalition of over 45 investors that engages with publicly traded consumer goods companies on the threat posed by plastic waste and pollution.
- ▶ In January 2022, we joined the **ESG Data Convergence Initiative** (EDCI). This initiative focuses on streamlining the private equity approach to collecting and reporting ESG data in order to create a critical mass of meaningful, performance-based, comparable ESG data from private companies.
- ▶ 2023, Unigestion became a member of the **Initiative Climat International** (iCI) whose clarion call is clear: namely, that the global private equity industry do its part by leveraging tried-and-tested methodologies to analyse and mitigate carbon emissions and exposure to climate-related financial risks in their portfolios.



Equity strategies

Proxy voting

Unigestion's proxy voting is carried out by ISS based upon a newly created customised policy built upon their International Sustainable Proxy Voting policy with enhancements to address stricter rules for director and auditor independence as well as the incorporation of ISS's Climate Voting Services, which uses their Climate Scorecard. The equity investment team and the Sustainable Committee monitor the voting guidelines to ensure they are aligned with our approach to stewardship.



Individual direct engagement

Our goal is to deliver on the transition towards a more sustainable future while protecting of our clients' assets. As such, we recognize that the value of ESG and stewardship is underpinned by a double materiality:

- Firstly, on the fundamental side, it is a key element of risk management as poor ESG practices increase business risks. Our fundamental engagement efforts aim at fine tuning the risk profile and value potential of the investment case, beyond our core financial assessment. We analyse and integrate material sustainability issues to better capture the risk reward profile of our equity investment and appreciate how they can enhance, destroy or protect value in the medium to long term.

- Secondly, over time, engaging with companies to influence and hold them accountable for improving their ESG practices represents our "social alpha". We are not short-term activists expecting to make share prices jump quickly, but long-term partners, ensuring long-term sustainable goals are in place for the companies we invest in.

We therefore base the selection of engagement candidates on their financial materiality for our portfolios and four main catalysts:

I. AGM-based Engagements

We engage with portfolio companies on a variety of issues of most relevance to investors: Environmental subjects, Climate change, Human rights, Labour rights, Public health & safety, Business ethics, Corporate governance.

II. ESG or Controversy Engagements

Within the framework of our ESG integration process, we have defined and incorporated monitoring rules to identify those listed companies which we hold in portfolios involved in significant incidents which may negatively impact stakeholders, the environment or the company's operations, commonly known as controversies.

We have defined and incorporated a rule to identify portfolio companies within the worst decile of our proprietary ESG score that have shown signs of improvement over the long-term. We have decided to keep these companies in our portfolios, while engaging with them based on our internal evaluation of their ESG issues.

III. Thematic Engagement

The responsibility of companies with respect to Sustainable Development Goals (SDGs) is part of a qualitative research performed by the analysts. For a couple of years now, SDG13 – Climate Action, has been an overriding theme to consider for all of our engagements. As such, we will reach out directly and collaboratively to both publicly listed and privately held investee companies on issues such as their Net Zero and Paris Agreement commitments, and carbon footprints. We use our fundamental knowledge of companies and industries to pick specific topics for engagement and link them with SDG targets.

IV. Client Specific Requests or Certain Requirements

Finally, certain clients and portfolios require specific engagements in order to meet their stewardship objectives. Also, for some of our funds which have an SRI label, we have predefined certain objectives which may require specific engagements over time.

We acknowledge that engagement is an activity which may take many years to bear fruit. Building constructive relationships over time is crucial, however, retaining the option to escalate plays an important part in our ability to influence issuers. We should remain conscious that our ability to influence might remain limited in the vast majority of situations because of our size. However, as we do our duty as a responsible investor and more investors do the same, we believe that this will lead to changes in the future.

If we are not satisfied with the progress of our engagement objectives or responsiveness of engaged companies, we make a case-by-case assessment for escalation decided by the Corporate engagement team.

We have a number of different ways to escalate our engagements:

- Proxy Voting: voting against management at the AGM
- Supporting shareholder resolutions: either initiated by third-parties or by joining shareholder groups
- Collaborative engagement: collaboration with other investors, asset managers and asset owners as a collective way to pursue change. Unigestion participates in collaborative engagement initiatives with likeminded Asset Managers and Asset Owners as enumerated above. Unigestion can take either a lead or a supporting role.
- Partial or complete divestment: although our preferred method of engagement is constructive dialogue, if all other escalation channels have been exhausted and we see insufficient improvement over a reasonable period, we may reduce our exposure, or completely divest, as a reflection of the increased risk of the investment.

Multi-asset and alternative strategies

The equity portion of our multi-asset investments follow the same path as our equity strategies.



For other asset classes, we have additional considerations which are beyond scoring, such as investing in green bonds for our sovereign strategies or investing in responsible precious metals for commodities.

Private equity strategies

Direct investments

Portfolio companies are assigned an overall ESG score as part of the analysis of a set of ESG criteria. In order to drive high ESG standards, for each criterion, a **tailored engagement plan** is implemented and priorities are allocated depending on the scale of the issue and the potential for improvement. The identified issues are then relayed back to the portfolio company to establish a plan for addressing them.

The level of engagement and the action required will differ on a case-by-case basis. Examples of engagement include optimising processes to reduce energy and water consumption (e.g. through the installation of drop-by-drop irrigation systems), or improving governance mechanisms.

Fund investments

To achieve and enforce the application of our ESG framework, the fund investment team negotiates a side letter agreement with the managers.

The fund investment team integrates ESG issues into its day-to-day practices and monitors progress on an ongoing basis as part of a continuous engagement program. Fund investments are assigned an overall ESG score as part of the due diligence. The identified issues are relayed back to the manager to establish a plan for addressing them. We follow a policy of active ownership, raising ESG concerns both in bilateral interactions with fund managers and via our role on Advisory Boards of funds.

The level of engagement and the action required will differ on a case-by-case basis.

In order to drive best-in-class ESG standards, we actively engage with our managers post-investment. We then reassess each manager against the ESG criteria on an annual basis to measure any development and to readjust any measures taken.

An annual report is then released internally to inform the Investment Committee and the Sustainable Committee and a formal annual ESG report is shared with the investors. In addition, our funds' quarterly reports also include the evolution of ESG scores which are updated on an annual basis.

It is the responsibility of portfolio managers (from here on PM) to define and implement the day-to-day asset-specific engagement procedures, while risk managers (from here on RM) and Compliance define risk-based checks in certain cases.

For details on the engagement process, our Engagement Policy can be downloaded from our corporate website via the link provided in the Appendix.

ESG Risk Identification and Assessment (Integration)

Equity strategies

Consistent with our corporate commitment, we have taken significant steps to integrate the ESG risks into our equity strategies.

We believe that integrating ESG criteria into our investment and decision-making processes is essential to reducing the risks of our investments. A 360° approach to risk assessment is at the heart of our process. ESG risks are naturally integrated into the assessment process and the outcomes affect the way we select investments and build portfolios. In addition to traditional risk measures such as fundamentals, volatility and liquidity, key considerations within our risk assessment also include ESG risks of companies, their GHG intensity as well as potential controversies.

Figure 7: Unigestion's 360° risk assessment



The assessment consists of qualitative and quantitative elements. We use the following approach:

| | |
|--------------------------------------|--|
| <p>(1) Exclusions</p> | <p>Pillar I: Norm-based screening (Bottom-Up)</p> <p>Unigestion considers six such exclusions as explained in the “General process” sections.</p> <p>Pillar II: Exclusionary screening (Bottom-Up)</p> <p>Further to norm-based screening, Unigestion considers four such exclusions:</p> <ul style="list-style-type: none"> ▶ non-covered companies, ▶ worst-in-class companies, ▶ high carbon emitters. ▶ companies with severe controversy level. <p>The essential KPIs for the exclusionary screening is either the ESG score which is determined by our proprietary ESG assessment approach (see next point) or the GHG intensity of the underlying company.</p> <p>PM first reviews the exclusions and RM checks independently.</p> |
| <p>(2) Internal ESG Score</p> | <p>Hereafter, ‘ESG score’ refers to Unigestion’s score (see Appendix). The focus of the ESG score is to determine the ESG risk based on different qualitative and quantitative KPIs. More information about our methodology is provided below.</p> <p>Pillar III: ESG Guidelines (Top-Down)</p> <p>To enforce positive effects as well as ensure higher quality of controlling ESG risks, we build our portfolios by effectively favouring investments with higher ESG scores, we ensure an overall ESG score rank that is higher than the market reference, whose stocks in the worst quintile have been removed based on rankings from our internal scoring methodology. In case of mandates, if an ESG index is appointed, we follow the ESG index Score rank as the determining level.</p> <p>In addition, at the aggregated portfolio level, we ensure that the total GHG intensity is, at least 20% lower than the market reference, with exception of our climate strategies where the focus is solely on high climate exposed sectors and there are no appropriate market references as of this point for GHG accounting.</p> <p>In Q3 2021, we have aligned all of our UCITS funds with a 2-degree aligned trajectory based on Science Based Target initiative (SBTi) methodology.</p> <p>The methodology and application are presented to all of our clients, and maybe implemented upon request.</p> |

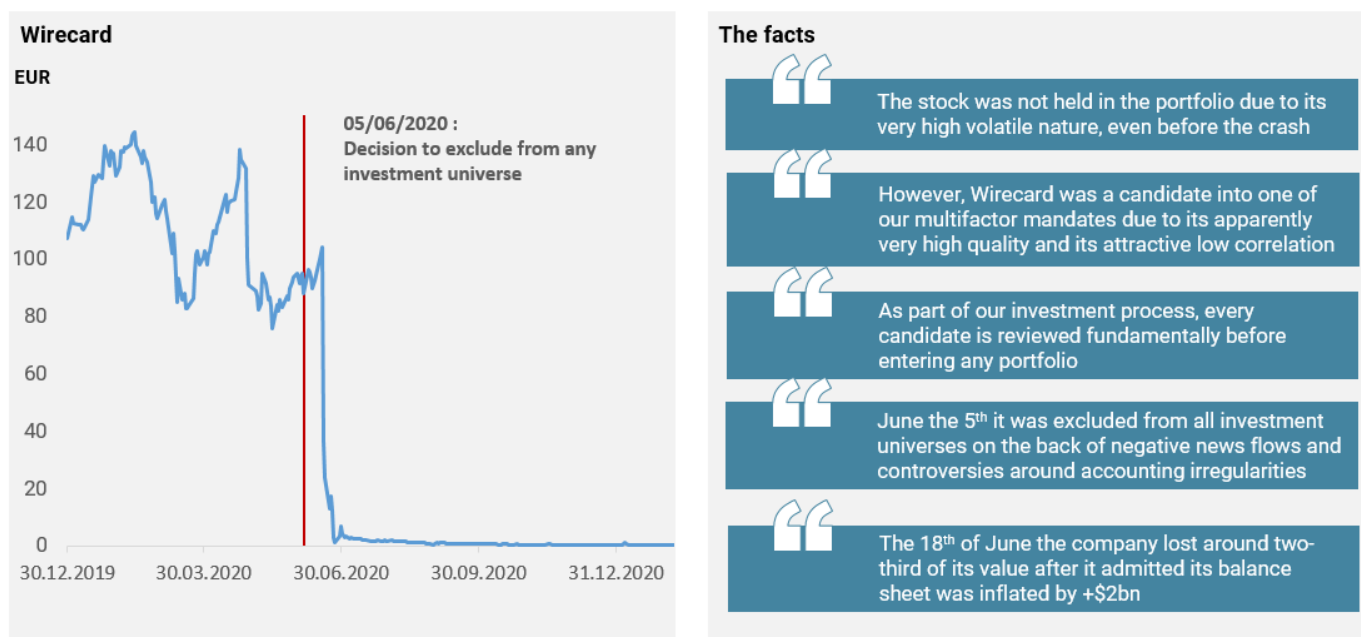


| | |
|--------------------------------------|---|
| | <p>Fundamental Review</p> <p>The resulting portfolio leads to a list of purchase candidates, which is then reviewed thoroughly by our portfolio managers and fundamental analysts. This review, although discretionary by nature, is highly disciplined and ESG risk is an integral part of the broader criteria used for validating the stocks within the portfolio. As this review may result in further exclusions, the last step may need to be repeated multiple times in order to find the optimal solution. PM is responsible for the asset-specific detailed ESG risk analysis while RM performs checks on a case-by-case basis based on the materiality.</p> |
| (3) Stress tests & scenario analysis | <p>The implementation of a quantitative model for the assessment of sustainability risks on the value of portfolios is a vast endeavour that will rely heavily on data that may not be available imminently. Therefore, the Unigestion Risk Management Team has decided to adopt a staggered approach, concentrating on the ESG factor of Climate Change impact in the first stage.</p> <p>From an investor's perspective, Climate Change is a threat which could potentially negatively impact economic growth, inflation and investment returns. At Unigestion, we differentiate between two types of climate risk: physical risk and transition risk. Physical risk is the risk of damage to land, buildings and infrastructure because of droughts, storms or flooding. Transition risk is the risk to businesses and assets because of policy, legal and market changes as the world seeks to transition to a lower carbon economy.</p> <p>The Inter-Governmental Panel on Climate Change (IPCC) has provided four main scenarios for future carbon emissions and associated global warming projections, known as Representative Concentration Pathways (RCPs), which are based on the human production of greenhouse gases from all sources. The IPCC chose to represent a broad range of climate outcomes, from which we have decided to concentrate on the RCP 2.5 and RCP 8.5 scenarios. These scenarios correspond respectively to the expected outcome of the Paris Agreement, which aims to hold the increase in the global average temperature to well below 2 degrees Celsius above pre-industrial levels, and to an unmitigated scenario in which emissions continue to rise throughout the 21st century.</p> <p>Climate Change does not impact all investment assets in an equal manner. Several recent studies have shown that there is a significant relationship, over long time periods, between temperature change and GDP growth. This can be linked to the expected returns of two factors that we have constructed with the aim at capturing the effect of the transition and physical risks respectively.</p> <p>We have created a model, based on the relationship between the returns of the assets in the portfolios we manage and the expected outcome of the RCP scenarios on the two transition risk and physical risk factors, that allows us to estimate the impact of the various climate change scenarios on the portfolio's value over various time horizons.</p> <p>For all of the potential and material non-climate risks, in addition to our norm-based exclusions, we conduct a qualitative assessment on a case-by-case basis.</p> <p>PM performs qualitative reviews of each instrument covering all material ESG aspects, while RM performs independent climate-related stress tests.</p> |

Paying attention to ESG risks has been beneficial to our strategies in the past, allowing us to identify risks before they materialised in the market. A recent example is Wirecard.

In early June 2020, Wirecard was a candidate for one of our equity strategies. As part of our usual fundamental review of the new entrants, the investment team decided to exclude this stock due to suspicious accounting irregularities.

Figure 8: Wirecard, an example of a Governance Issue Affecting a Stock



A detailed version of our process regarding equity strategies is available in Annex I.

Multi-asset strategies

Equities

The same approach is adopted as for equities.

Commodities

| | |
|------------------------|--|
| (1) Exclusions | <p>Pillar I: norm-based screening (bottom-up)</p> <ul style="list-style-type: none"> ▶ Not applicable <p>Pillar II: exclusionary screening (bottom-up)</p> <ul style="list-style-type: none"> ▶ agricultural or livestock commodities. <p>PM first reviews the exclusions and RM checks independently.</p> |
| (2) Internal ESG Score | <p>Pillar III: ESG guidelines</p> <ul style="list-style-type: none"> ▶ Not applicable |
| (3) Beyond the score | <p>Pillar IV: parallel process</p> <ul style="list-style-type: none"> ▶ For precious metals (gold and silver), we follow the Responsible Gold Guidance of the London Bullion Market Association (LBMA), effectively investing in LBMA approved good delivery gold or derivatives backed by such delivery. The Responsible Gold Guidance for good delivery refiners in order to combat serious abuses of human rights, to avoid contributing to conflict, to comply with high standards of anti-money laundering and combating terrorist financing practice. In practice, this means using European Listed Physical ETPs backed by LBMA gold bars or gold forward contracts referenced by the London gold price. RM performs checks on a case-by-case basis based on the materiality. ▶ For other commodities, we incorporate carbon (EU Allowance, EUA) futures as part of our cyclical commodities basket (Energies and Industrial Metals). While we are not targeting a complete offset of the carbon footprint (i.e. carbon neutrality), adding EUA in the cyclical commodities basket offset a significant portion of it (circa 50% as of September 2021). RM performs checks on a case-by-case basis based on the materiality. |



| | |
|--------------------------------------|---|
| (4) Stress tests & scenario analysis | Qualitative expert assessments where PM and RM discuss the relevant approach based on the asset specifics |
|--------------------------------------|---|

Government bonds

| | |
|--------------------------------------|--|
| (1) Exclusions | <p>Pillar I: norm-based screening (bottom-up)</p> <ul style="list-style-type: none"> ▶ Not applicable <p>Pillar II: exclusionary screening (bottom-up)</p> <p>Similar to equities, negative or exclusionary screening is the process of excluding countries (as opposed to companies in the equities approach) from an investment universe based on our expectations regarding specific ESG risks.</p> <p>Unigestion considers three such exclusions:</p> <ul style="list-style-type: none"> ▶ non-covered countries, ▶ worst-in-class countries and ▶ high carbon emitters. <p>PM first reviews the exclusions and RM checks independently.</p> |
| (2) Internal ESG Score | <p>Pillar III: ESG guidelines (top-down)</p> <p>The global country allocation is then determined through an optimisation process on the investable universe. To enforce positive effects as well as ensure higher quality of controlling ESG risks, the objective is to maximise the overall ESG score while maintaining a diversified allocation across countries by controlling the tracking error versus the initial allocation. At this stage, by effectively favouring countries with higher ESG scores, we ensure that the overall ESG score is above the Benchmark Index while the allocation across countries is not distorted by too many exclusions.</p> <p>The target allocations will be reviewed on a bi-yearly basis on June 30th and December 31st and changes, if applicable, will be implemented in the first 15 days of the following month.</p> <p>Pillar IV: parallel process</p> <p>Investing in green bonds is one way to promote commitments to climate and responsible investment and we have decided to favour these over other government bonds.</p> <p>PM is responsible for the asset-specific detailed ESG risk analysis while RM performs checks on a case-by-case basis based on the materiality.</p> |
| (3) Stress tests & scenario analysis | Qualitative expert assessments where PM and RM discuss the relevant approach based on the asset specifics. |

A detailed version of our process regarding government bond strategies is available in Annex II.

Concerning other assets held in multi-asset strategies, such as single-name futures, indices, and other derivatives, currently we have not established a full process for ESG integration due to the complexity of the underlying.

ESG risks with respect to single-name instruments would be evaluated qualitatively, based on the parent company or country of the underlying.

We are continuously researching these topics and hope to be able to implement a more systematic ESG risk control for these instruments in due course.

Wealth Management Strategies

Within our wealth management activity, ESG is implemented differently depending on the type of service rendered.

For Discretionary Mandates, we apply ESG related exclusionary screenings as set up in Pillar I. Pillar II and III are implemented at the client's explicit request. ESG overlays and implementation are reviewed annually along with the client's suitability profile.

For Advisory Mandates, we apply ESG related exclusionary screenings as set up in Pillar I by not proposing any excluded stocks.

For Execution Only Mandates, because of the nature of the service, none of the pillars can be applied.



We regularly share our ESG offering with our clients by presenting the various products and solutions we manage. We also advise and propose, whenever applicable, pillars II and III into our services.

Private equity strategies

Direct investments

| | |
|---|---|
| (1) Support to environmental and social themes / sustainable investment objective | <p>In direct investments, we look for companies whose growth is underpinned by long-term trends and whose respective economic activity supports one or more environmental and/or social themes we have selected (e.g. water management, waste recycling, elderly care, education, pharmaceuticals and health-related services).</p> <p>In our climate impact strategy, we have the sustainable investment objective to invest in companies whose economic activities contribute at least to one of the following environmental objectives described in more detail in the EU Taxonomy: (i) climate change mitigation, (ii) climate change adaptation, (iii) transition to a circular economy and (iv) protection and restoration of biodiversity and ecosystems. The investments made pursuant to this strategy are aligned mostly with SDG 7 (Affordable and clean energy) and SDG 13 (Climate Action). For details on our climate impact strategy, please refer to our corporate website via the link provided in the Appendix.</p> |
| (2) Exclusions | <p>Pillar I: norm-based screening (bottom-up)</p> <p>Unigestion considers six such exclusions as explained in the “General process” sections.</p> <p>Pillar II: exclusionary screening (bottom-up)</p> <ul style="list-style-type: none"> ▶ companies with no ESG policy and no plans to develop one ▶ companies with ESG-related litigations ▶ high carbon emitters (identified through a quantitative assessment if available or qualitative assessment) <p>PM first reviews the exclusions and RM checks independently.</p> |
| (3) Internal ESG Score | <p>The focus of the ESG score is to determine how advanced portfolio companies are in addressing ESG matters, based on 20 qualitative and quantitative criteria. More information about our methodology is provided in Annex III.</p> <p>Pillar III: ESG guidelines (top-down)</p> <p>We monitor ESG scores annually and measure progresses versus pre-investment assessment, both at company level and at overall portfolio level.</p> <p>PM is responsible for the assessment and RM checks independently.</p> |
| (4) Stress tests & scenario analysis | <p>We perform a qualitative and quantitative assessment of material ESG risks at company level based on risk categories specific to the company's industry sector. For each company, we run a stress test analysis on those. This analysis enables us to determine the expected financial impact, should such ESG risks materialise.</p> <p>PM performs the assessment and the stress test analysis and RM checks independently.</p> |

Fund investments

| | |
|----------------|---|
| (1) Exclusions | <p>Pillar I: norm-based screening (bottom-up)</p> <p>Unigestion considers six such exclusions as explained in the “General process” sections.</p> <p>We enforce these exclusions in side letter agreements with the managers.</p> <p>Pillar II: Exclusionary screening (bottom-up)</p> <ul style="list-style-type: none"> ▶ funds of managers who have no ESG policy and no plans to develop one ▶ funds of managers with ESG-related litigations |
|----------------|---|

Read more of our latest investment thinking online: www.unigestion.com/insights

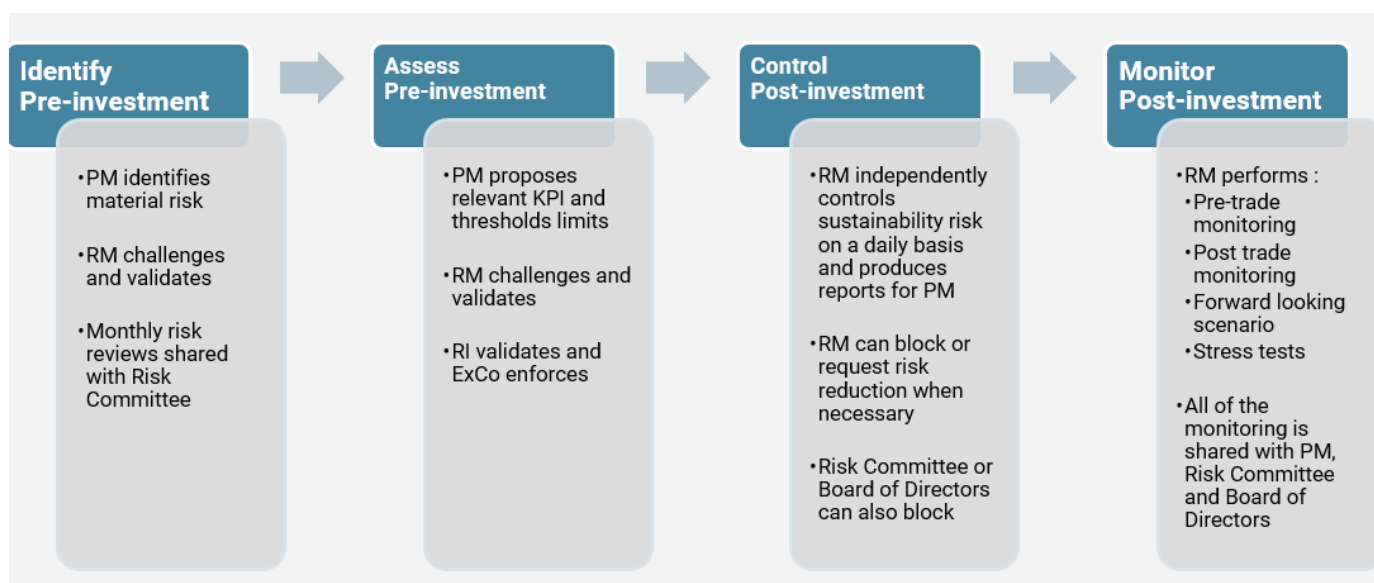


| | |
|--------------------------------------|---|
| | <p>► funds targeting companies identified as high carbon emitters (through quantitative assessment if available or qualitative assessment).</p> <p>PM first reviews the exclusions and RM checks independently.</p> |
| (2) Internal ESG Score | <p>The focus of the ESG score is to determine how advanced fund managers are in addressing ESG matters based on 42 qualitative and quantitative criteria. More information about our methodology is provided in Annex III.</p> <p>Pillar III: ESG guidelines (top-down)</p> <p>We monitor ESG scores annually and measure progresses versus pre-investment assessment, both at fund manager level and at overall portfolio level.</p> <p>PM is responsible for the assessment and RM checks independently.</p> |
| (3) Stress tests & scenario analysis | <p>We perform a qualitative and quantitative assessment of material ESG risks at fund level based on risk categories specific to the fund's target industry sectors. For each fund, we run a stress test analysis on those. This analysis enables us to determine the expected financial impact, should such ESG risks materialise.</p> <p>PM performs the assessment and the stress test analysis and RM checks independently.</p> |

A detailed version of our process regarding private equity strategies is available in Annex III.

Risk Management

We apply ESG risk analysis throughout our investment decision process (pre- and post-investment) including the following steps:



► Risk identification

Prior to investment, all staff in investment lines and support functions contribute to the identification of material risks pre-investment through a due diligence process. Post-investment risk management is applied through the regular review of investment risks in portfolios in partnership with the investment lines and the investment risk management function, and then further by ad-hoc reporting to management or the Risk Committee.

► Risk assessment

For all risks identified, the investment lines work in collaboration with the risk management function to select one or several risk measures for regular risk assessment. Where relevant, early warning thresholds and limits are defined and agreed by investment line management and risk management. Thresholds and limits are validated by the RI Committee and enforced by ExCo.

Read more of our latest investment thinking online: www.unigestion.com/insights

FOR QUALIFIED INSTITUTIONAL BUYERS, PROFESSIONAL AND INSTITUTIONAL INVESTORS ONLY. NOT FOR USE BY RETAIL CLIENTS

Unigestion | 22/48



► Risk controlling

Risks are managed on a daily basis by the investment lines and the operations teams, based on the performance and risk information produced internally or by the Risk Management function. Whenever required or deemed necessary, the risk management function, the Risk Committee or the Board of Directors have power to instruct investment lines to act on portfolios in order to reduce risks that may be considered unacceptable.

► Risk monitoring

The monitoring of portfolios vs the regulatory, contractual & policy thresholds and limits is performed pre-trade (whenever required) and close-of-business (always) by the Risk Management function and reported to the respective investment lines, the Risk Committee and the Board of Directors on the appropriate frequency with the required granularity in order to allow efficient decision making. In addition to the regular monitoring of risk measures, Investment Lines and the Risk Management function may perform forward-looking scenario analysis and stress tests on all risk types in order to test the resilience of the investment management process and of the portfolios.

ESG risks are considered across all investment strategies we offer. Due to the differences between the investment strategies, different risk management approaches may be applied.

Risk Categories

In order to calculate the potential financial loss related to ESG, we apply the following risk categories in accordance with different regulatory frameworks:

| Risk | Description |
|-------------------------|---|
| Environment-related (E) | Environment-related risks are driven by environmental factors. They should be understood as the financial risks posed by the institution's exposure to assets that may potentially contribute to or be affected by climate change and other forms of environmental degradation (such as air pollution, water pollution, scarcity of fresh water, land contamination, biodiversity loss and deforestation). Climate-related risks may arise from transitional risks as a consequence of the transition to a low-carbon economy or from physical risks as a consequence of the physical effect of climate change. |
| Society-related (S) | Society-related risks are financial risks that arise from, for example, sub-standard working conditions, slavery and child labour, damage to local communities including indigenous communities, damage to health and lack of safety, damage to employee relations and diversity. |
| Governance-related (G) | Governance-related risks are financial risks that arise from, for example, the insufficient governance including, for example, unsustainable executive pay, bribery and corruption, political lobbying and donations, board diversity and structure, tax strategy. |

Risk Monitoring

Product level

Monitoring takes place on an ongoing basis via:

- Update of external (for liquid assets only) and internal ESG ratings
- Regular update of risk reports for liquid assets
- Discussion in Investment Committee meetings

Company Level

Monitoring takes place on an ongoing basis via:

- Regular update of risk reports
- Discussion of the ESG risks affecting the company with the risk takers
- Discussions in the Sustainable Committee
- Discussion in ExCo meetings
- Discussions in board meetings

Read more of our latest investment thinking online: www.unigestion.com/insights



INFORMATION ON THE CONSIDERATION OF ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

'No consideration of adverse impacts of investment decisions on sustainability factors' (Art. 4 (1) (b) SFDR)

Unigestion does not currently consider the adverse impacts of its investment decisions on sustainability factors in accordance with Art. 4 (1) (b) SFDR. Unigestion companies in scope of SFDR have less than 500 employees as of the release date of this Policy. Therefore, there is no legal obligation for Unigestion entities to consider principal adverse impacts of their investment decisions on sustainability factors (PAI). While we generally consider negative impacts for certain asset classes, we have decided not to opt in due to the proportionality principle and the uncertainties arising from future regulatory requirements. We will continue monitoring the regulatory landscape including the application of the SFDR RTS (Delegated Regulation (EU) 2022/1288) from 1 January 2023. Based on the continuous monitoring, Unigestion will, on a regular basis, revisit its decision not to consider PAI in accordance with Art. 4 (1) (b) SFDR. In the meanwhile, we will further improve our PAI framework and publish information on the relevant PAI indicators on a voluntary basis. Thus, we will transparently inform our investors and further external stakeholders about our current implementation status of the PAI framework.



DISCLOSURES FOR ART. 8 / 9 SFDR PRODUCTS

Overview

Where relevant and possible, we may decide to offer financial products referred to in Article 8 and Article 9 SFDR. This policy describes the framework with regard to those financial products.

Currently, the majority of our liquid products as well as our private equity products that are open (in funding stage) and are within the scope of SFDR are designed to comply with Article 8.

Article 8 & 9 SFDR framework

Methodologies incl. how E/S characteristics are met

We comply with Article 8 SFDR for the majority of our liquid products and as explained throughout this Policy, we carefully integrate environmental and social characteristics within our products. Environmental/social characteristics are promoted in the form of:

- ▶ reducing GHG intensity, and/or
- ▶ meeting a high or improving Environmental, Social and Governance score, as per the scoring performed by the investment manager.

We also comply with Article 8 for our direct private equity products in which we invest in companies whose economic activities support one or more environmental and/or social themes we have selected. In our climate impact strategy, we comply with Article 9 by pursuing the sustainable investment objective to invest in companies whose economic activities contribute at least to one of the following environmental objectives described in more detail in the EU Taxonomy: (i) climate change mitigation, (ii) climate change adaptation, (iii) transition to a circular economy and (iv) protection and restoration of biodiversity and ecosystems. The investments made pursuant to this strategy are aligned mostly with SDG 7 (Affordable and clean energy) and SDG 13 (Climate Action).

Periodic reports

The periodic reports of our Article 8 SFDR products describe the extent to which environmental or social characteristics and KPIs are met.

The following funds are Article 8/9 SFDR products that will publish an annual report drawn up as per the end of each product's financial year, being 31 December of each year, available to investors at the latest 6 (six) months after the end of the financial year (i.e. 30 June):

- Unigestion Direct II – Europe
- Unigestion Direct II – Asia
- Unigestion Direct II – North America
- Unigestion Direct II – Diversification Européenne
- Unigestion Direct III – Europe
- Unigestion Direct III – Global
- Unigestion Direct III – Co-Investment
- Unigestion Climate Impact Fund
- Carpimko Actions Internationales U
- Uni-Global – Equities Europe
- Uni-Global – Equities World

Read more of our latest investment thinking online: www.unigestion.com/insights



- Uni-Global – Equities Emerging Market
- Uni-Global – Equities Eurozone
- Uni-Global – Equities Global Climate Transition
- Uni-Global – Cross Asset Navigator

Current list of Article 8 & 9 SFDR products

The list of relevant products can be found on our corporate website and below:

A) Article 8 SFDR products

- Unigestion Direct II – Europe
- Unigestion Direct II – Asia
- Unigestion Direct II – North America
- Unigestion Direct II – Diversification Européenne
- Carpimko Actions Internationales U
- Unigestion Direct III – Europe
- Unigestion Direct III – Global
- Unigestion Direct III – Co-Investment
- Uni-Global – Equities Europe
- Uni-Global – Equities World
- Uni-Global – Equities Emerging Market
- Uni-Global – Equities Eurozone
- Uni-Global – Cross Asset Navigator

B) Article 9 SFDR products

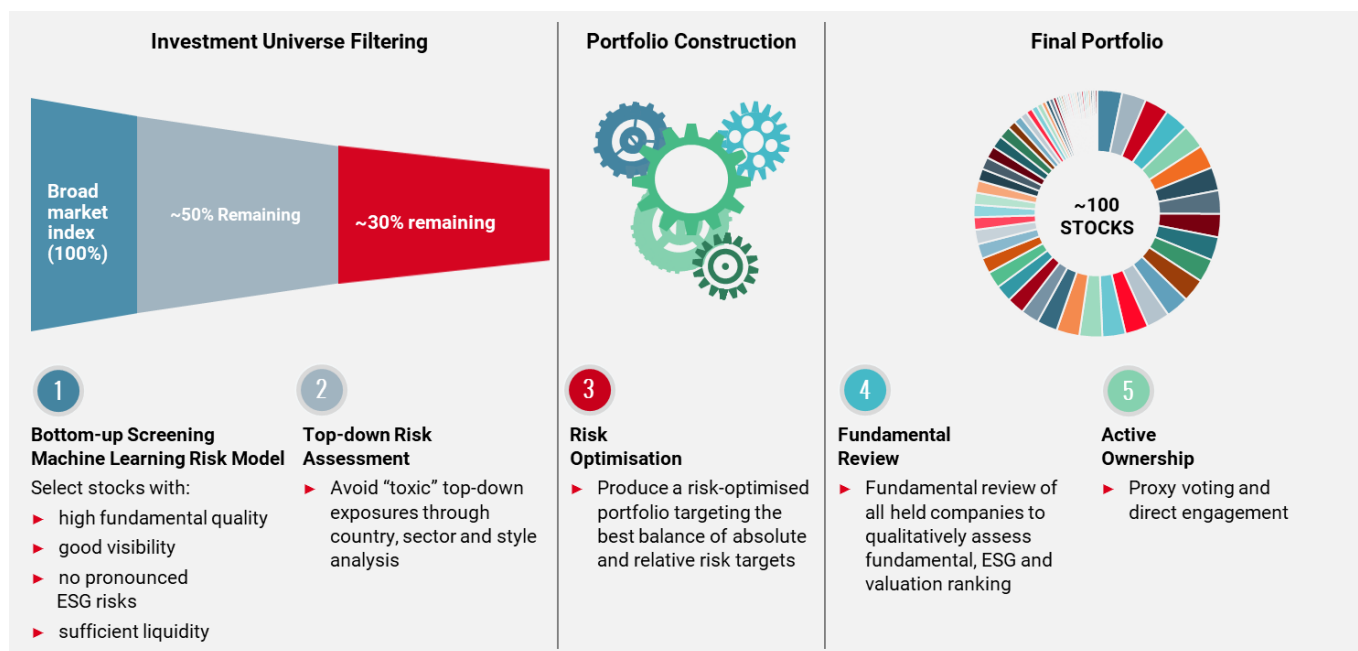
- Unigestion Climate Impact Fund
- Uni-Global – Equities Global Climate Transition

ANNEX I

Detailed Process for Equity Strategies

Our investment process for equities consists of three main steps, starting with the broad investment universe and resulting in the final portfolio as described in Figure 9.

Figure 9: Investment process overview



Below, we explain how each of the 5 steps of the process integrate ESG criteria. Our ESG process has four pillars, as outlined above. Pillar I and II are implemented in the bottom-up screening stage. Pillar III is implemented in the top-down risk guidelines, optimisation and fundamental review, while Pillar IV is implemented in the step 5 of the investment process.

Pillar I: norm-based screening

As explained in detail under “Responsible Investment Process”.

Pillar II: exclusionary screening

Unigestion considers four exclusions with regards to additional ESG-related risks: non-covered companies, worst-in-class companies, high carbon emitters and companies with high levels of ongoing controversial events.

Non-covered companies

We exclude from the investment universe companies that are not covered by our ESG score – see the Appendix for a full methodology. Hereafter, ‘ESG score’ refers to Unigestion’s score.

Worst-in-class companies

We favour companies with good or improving ESG scores. In general, we aim to exclude companies with ESG scores below a global level of 60 (ESG scores are from 0 to 100, the higher the better). However, we value the efforts made by these companies if they are improving their ESG score and we do not exclude such companies that show improvements over the last two years.

High carbon emitters

International mobilisation against climate change is leading to growing public and regulatory pressure to limit carbon emissions. Excessive carbon emitters are likely to face regulatory and pricing headwinds, and some activities may simply not be viable under strict scenarios.



Unigestion recognises Climate-related risks as part of each company's risk profile and excludes any company with a GHG intensity of more than 10,000 tons of CO2 equivalent per million USD in revenues, unless they are aligned on an emissions trajectory below the 2°C scenario. Our GHG intensity measure includes Scope 1,2 and 3 emissions.

Companies with ongoing severe controversial events

A controversy occurs when a company's activity results in a negative environmental and/or social impact which will result in reputational risks for stakeholders and sometimes it will negatively impact the share price of a company.

Controversies are usually unordinary events or a series of incidents which are therefore associated with public news and, in many cases, market reaction.

The severity of controversial events is different and as Unigestion uses Sustainalytics methodology for evaluating the severity, there are six categories: No evidence, Low, Moderate, Significant, High and Severe.

At Unigestion, we exclude any company with severe controversies from our investment universe.

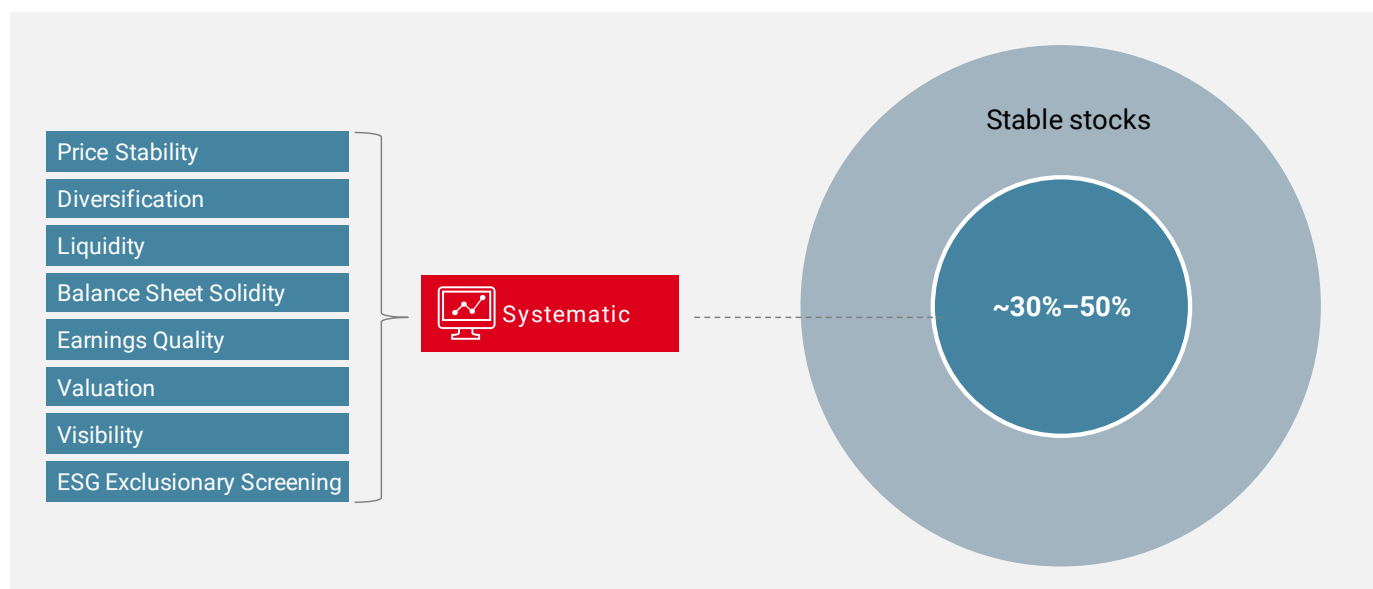
The other levels and the number of remaining controversies will penalize our internal ESG score to impact our company selection process.

Role of Pillar I and Pillar II in bottom-up screening

Starting from a broad investment universe, we incorporate the norm-based exclusions and exclusionary screening mentioned in Pillars I and II as bottom-up filters on the investment universe, alongside screenings based on financial criteria such as liquidity and valuation.

The bottom-up filtering process reduces the investment universe to between 30% and 50% of the initial number of stocks.

Figure 10: Bottom-up screening



Pillar III: ESG guidelines

Portfolio construction is then performed through an optimisation process on the remaining, stable universe to produce a candidate portfolio that aims at minimising risk while considering a range of top-down guidelines. These guidelines reflect investment views such as country and sector risks as well as the ESG score of the aggregated portfolio. At this stage, by effectively favouring investments with higher ESG scores, we ensure an overall ESG score rank that is higher than the market reference whose stocks in the worst quintile have been removed. based on rankings from our internal scoring methodology. This is one of the methodologies suggested when acquiring SRI label. In case of mandates, if an ESG index is appointed, we follow the ESG index Score rank as the determining level.

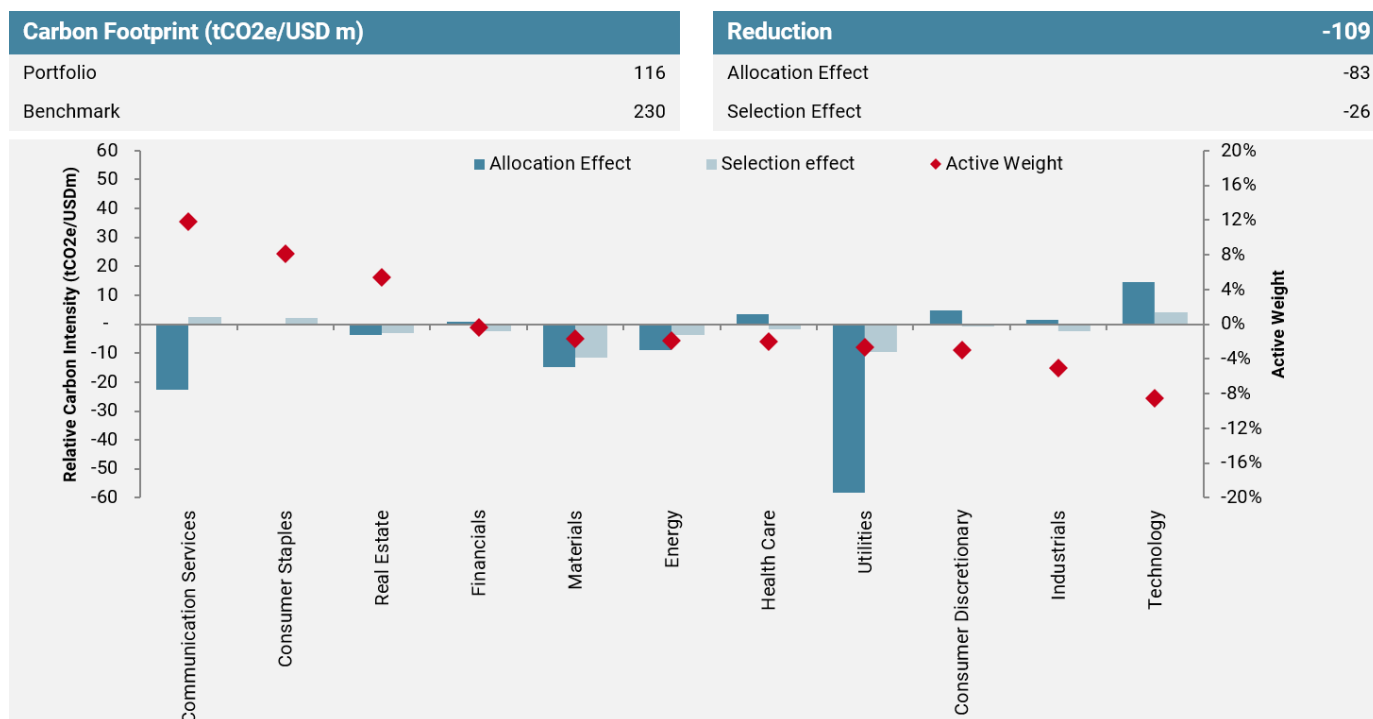
In addition, at the aggregated portfolio level, we ensure that the total GHG intensity is, at least, 20% better than that of the market reference, with exception of our climate strategies where the focus is solely on high climate exposed sectors and there are no appropriate market references as of this point for GHG accounting.



In Q3 2021, we have aligned all of our UCITS funds with a 2-degree aligned trajectory based on Science Based Target initiative (SBTi) methodology.

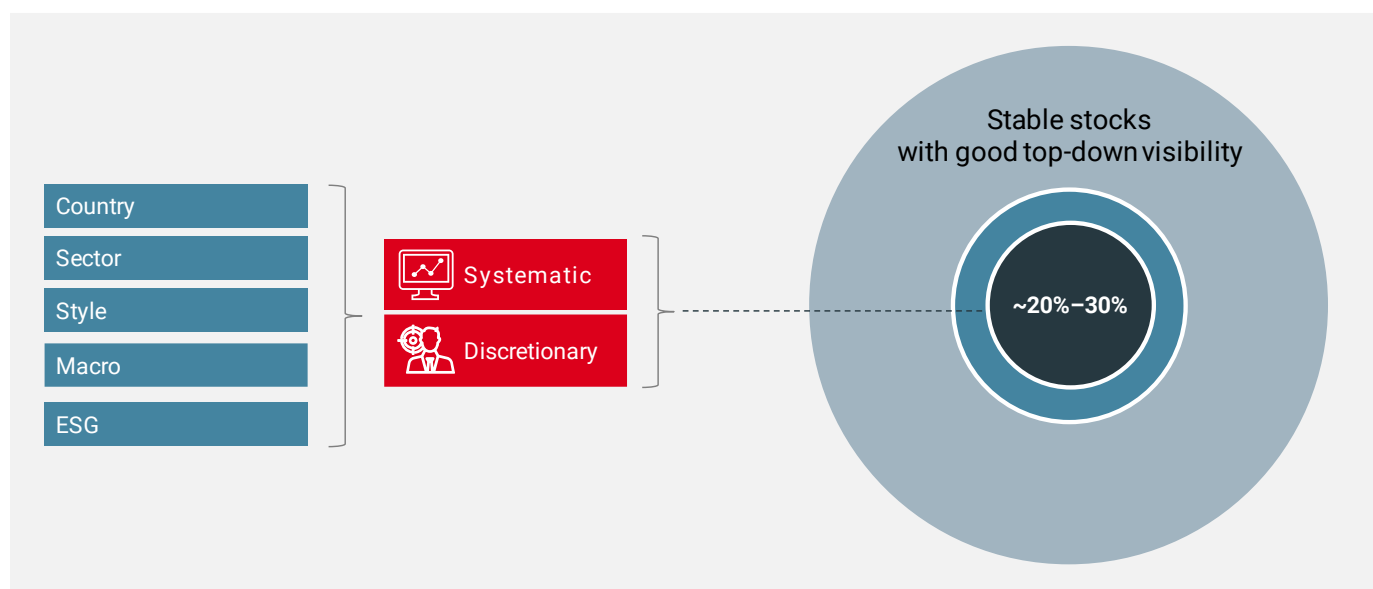
The methodology and application are presented to all of our clients, and maybe implemented upon request.

Figure 11: Sample portfolio carbon intensity analysis



Source: Trucost, Unigestion, MSCI

Figure 12: Top-down risks





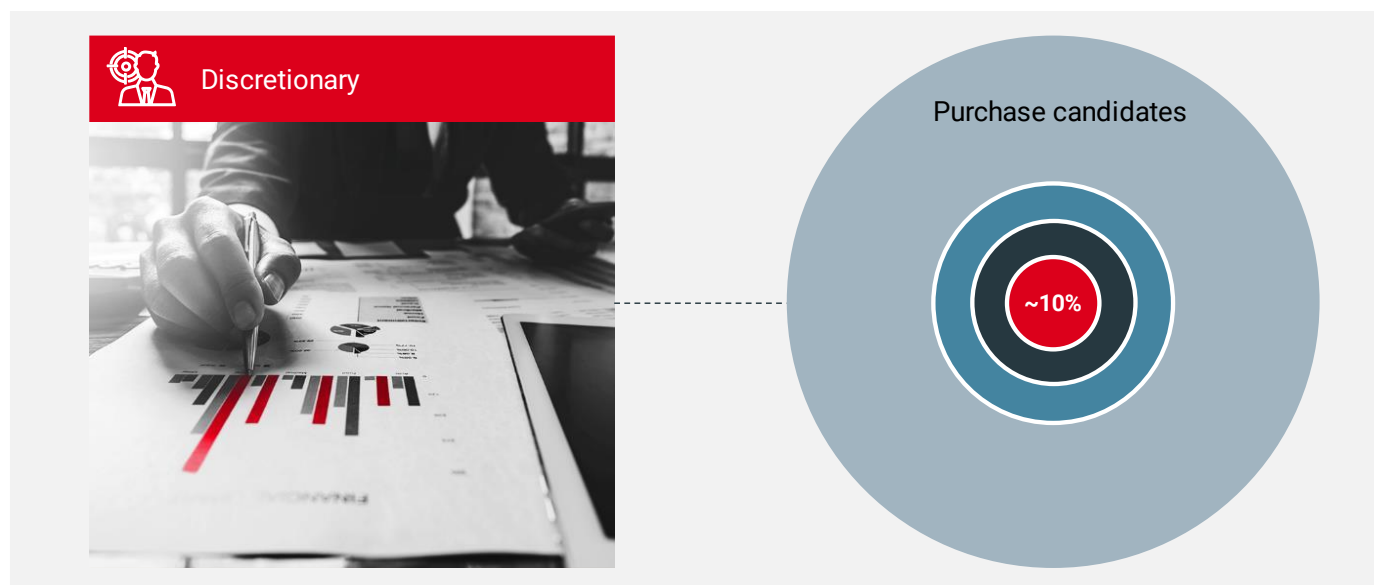
Fundamental review

The resulting portfolio leads to a list of purchase candidates, which is then reviewed thoroughly by our portfolio managers and fundamental analysts. This review, although discretionary by nature, is highly disciplined and ESG is an integral part of the broader criteria used for validating the stocks within the portfolio. As this review may result in further exclusions, the last step may need to be repeated multiple times in order to find the optimal solution.

Our fundamental analysts cover all major positions held within the portfolios, as well as any stocks that may present certain risks over time. When a stock is a candidate from a quantitative point of view, they conduct a fundamental review of the stock in order to have a forward-looking view of the risk profile. The in-house methodology is based on a SWOT analysis where the intention is to identify any risks a business may face. Risks as opportunities are diverse by nature but ESG risk and opportunities are getting more impactful and thus have a growing influence on the SWOT analysis. They assign a rating to these positions, which determines a maximum weight of the position in the portfolio. The analysts then closely monitor where a company stands relative to its peer group. They also pay close attention to corporate governance and communication transparency.

The ESG risk assessments and stress tests we mentioned above are considered based on the materiality approach, i.e., material ESG risks are assessed in more detail than those considered immaterial.

Figure 13: Fundamental review





ANNEX II

Detailed Process for Sovereign Bonds

For our sovereign investments, we first define an investable investment universe, which is comprised of all governments bonds held in the Bloomberg Global Treasury Index (Bloomberg Ticker BTSYTRUU Index).

Prior to applying ESG related exclusionary screenings, we filter the index universe based on liquidity measures and exclude the countries having a below average liquidity score. We use Bloomberg's Liquidity Assessment (LQA) score as a measure, which assesses positions' liquidity risk by quantitatively estimating a security's liquidity.

Liquidity is measured in terms of the security's liquidation cost (i.e., the deviation of the liquidation price from fair value price), liquidation horizon (i.e., the estimated number of trading day to liquidate an associated volume), and level of uncertainty for both the liquidation cost and liquidation horizon. LQA's methodology combines traditional market impact models with machine learning techniques to account for all the relevant factors influencing liquidity.

The resulting list of countries composes the Universe on which Pillar II (Exclusionary screenings) and Pillar III (ESG guidelines) will subsequently be applied.

Pillar II: exclusionary screening

Similar to equities, negative or exclusionary screening is the process of excluding countries from an investment universe based on our expectations regarding specific ESG risks. Unigestion considers three such exclusions: non-covered countries, worst in class countries and high carbon emitters. The exclusions are applied to the applicable universe in the first step of the investment process, resulting in the remaining, investable universe.

Non-covered countries

We exclude from the investment universe countries that are not covered by our proprietary ESG score.

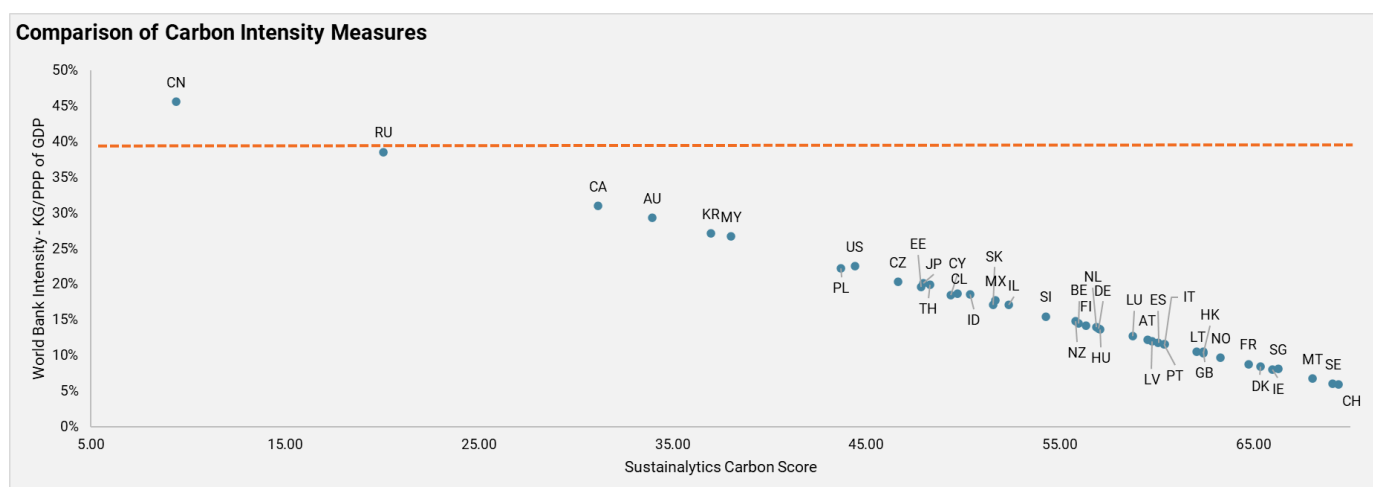
Worst-in-class countries

We prefer countries with better or improving ESG scores. Therefore, we exclude from the investment universe countries with ESG scores in the worst decile of the universe. The result changes over time.

High carbon emitters

In an attempt to limit carbon emissions in our investments, we exclude any country with a carbon emission of more than 40% (KG/PPP \$ of GDP) in revenues.

Figure 14: Country carbon intensity



Source: Sustainalytics, World Bank, as of March 2020



Pillar III: ESG guidelines

We require our portfolios to maintain an ESG score higher than the Benchmark on an ongoing basis. This is achieved through a positive tilt to countries with better ESG scores and a negative tilt to the ones with the worst ESG scores.

The global country allocation is then determined through an optimisation process on the investable universe. The objective is to maximise the overall ESG score while maintaining a diversified allocation across countries by controlling the tracking error versus the initial allocation. At this stage, by effectively favouring countries with higher ESG scores, we ensure that the overall ESG score is above the Benchmark Index while the allocation across countries is not distorted by too many exclusions.

Target allocations resulting from Pillar I and Pillar II will be reviewed on a bi-annual basis on June 30th and December 31st and changes, if applicable, will be implemented in the first 15 days of the following month.

Pillar IV: parallel process

Green bonds

Investing in green bonds is one way to promote commitment to climate and responsible investment and we have decided to favour them over other government bonds. We implement our allocation such that:

- ▶ If government green bonds are available for a country, we will allocate at least 50% of the targeted country weight to government green bonds.
- ▶ We exclude green bonds issued by supranational and regional entities or government backed companies.

New issues of green bonds by countries eligible in the final investment universe will be invested, based on availability, during the semi-annual re-allocation process.



ANNEX III

Detailed Process for Private Equity Strategies

We have been investing in private equity since 1988, and we created one of the first private equity fund-of-funds in Europe, Unicapital Investments, in 2000.

Private equity is strategically important to Unigestion, and accounts for more than half of our total assets under management in 2022.

We are committed to maintaining the highest level of scrutiny over the way ESG criteria are respected, measured, reported and handled across our investment activities, and to making ongoing improvements. We strongly believe our investors will benefit from this approach over the long term.

As a prominent investor in the private equity ecosystem, we are well positioned to make a difference and actively engage with our partners to share and promote best practices and resources related to ESG integration.

In our private equity offering, all funds considered for investment are subject to a rigorous ESG due diligence process, based on the UN PRI guidelines for private equity. ESG-related topics include, among others:

- ▶ The integration and analysis of ESG criteria in the investment process
- ▶ The ESG evaluation of individual fund managers
- ▶ ESG assessments and industry classifications of existing and new portfolio companies.

Integrating ESG in private equity direct investing is a fundamental way for us to measure improvements and create long-lasting value for all stakeholders. We embrace ESG as a key value driver.

As a responsible shareholder, we ensure that company management teams are held to account. When investing directly in private equity companies, we seek a seat on the Board of Directors, or at least observer status, so that we can influence the direction and future operations of the firm, and provide guidance on ESG matters.

For private equity funds, we obtain a seat on the advisory committee and monitor the fund manager and underlying companies within each fund on ESG grounds to ensure that businesses are robust and continue to generate consistent returns for our investors.

ESG has always played an important role in our investment decision-making process but today, our approach to ESG is far more sophisticated and proven. Previously, ESG assessments were based on a mixture of our values and beliefs, experiences and market risks without being as well structured and defined as they are today.

Today, we possess a set of tools that allows us to recognise risks, and rate and monitor companies in terms of ESG based on the way each individual company deals with the specific environmental, social and governance challenges that it faces.

Since we implemented these tools in 2019, they have enabled us to create clear pictures of the state of ESG development in the companies evaluated and, importantly, helped us to avoid those companies with deeper ESG risks. However, this does not mean that we avoid investing and engaging in all investment opportunities with low-ranking ESG scores. We believe that these companies can often present the greatest opportunities for value creation through the implementation of ESG policies and measures, leading to an improvement in the monitored ESG metrics. Reduced risks and improved governance can significantly increase a company's stability and hence its value.

We commit to continue to develop and enhance our responsible investing approach in private equity as well as to share and promote the best practices in the industry.

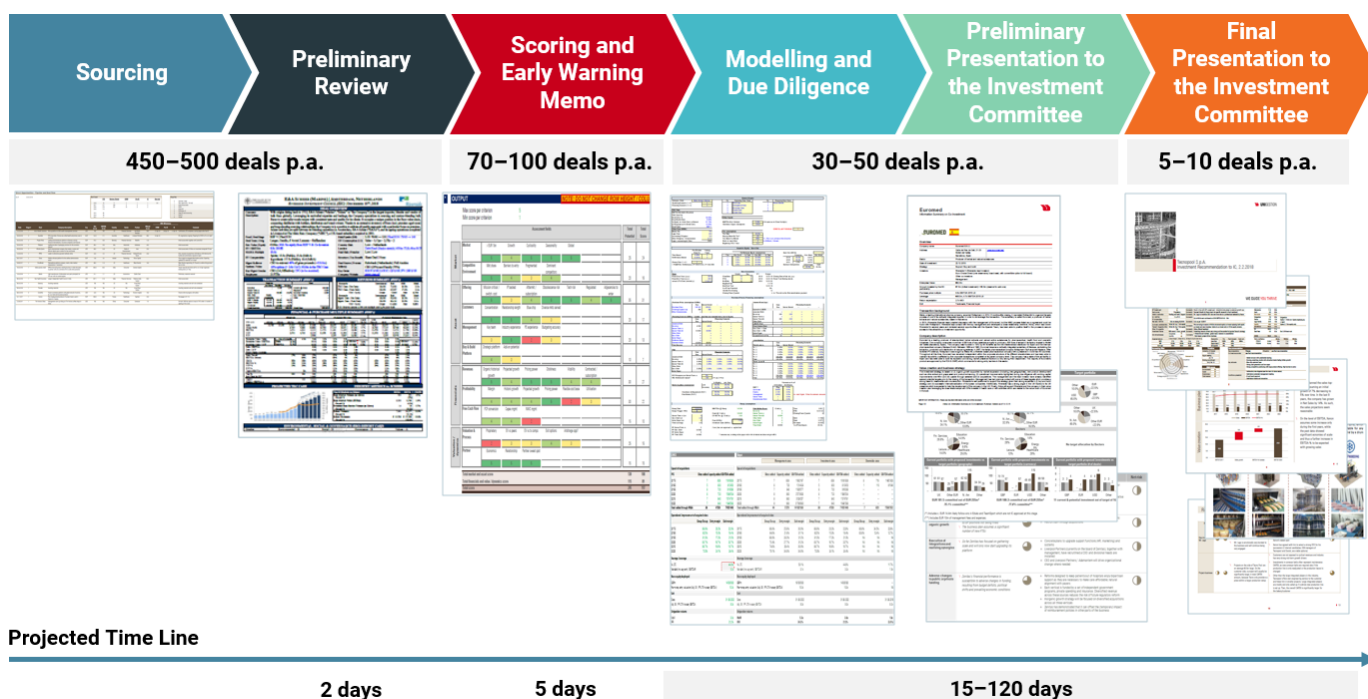
ESG integration in direct private equity strategies

The direct investment team follows a systematic and disciplined multi-phase investment selection process in addition to their responsibilities for the origination, execution, monitoring, value creation, and exiting of direct investments.

Every investment follows a rigorous selection and analysis process, from sourcing to the final decision, as shown below.



Figure 15: A rigorous investment selection and analysis process



ESG considerations are integrated at every stage of the direct investment process as shown and detailed in the following:

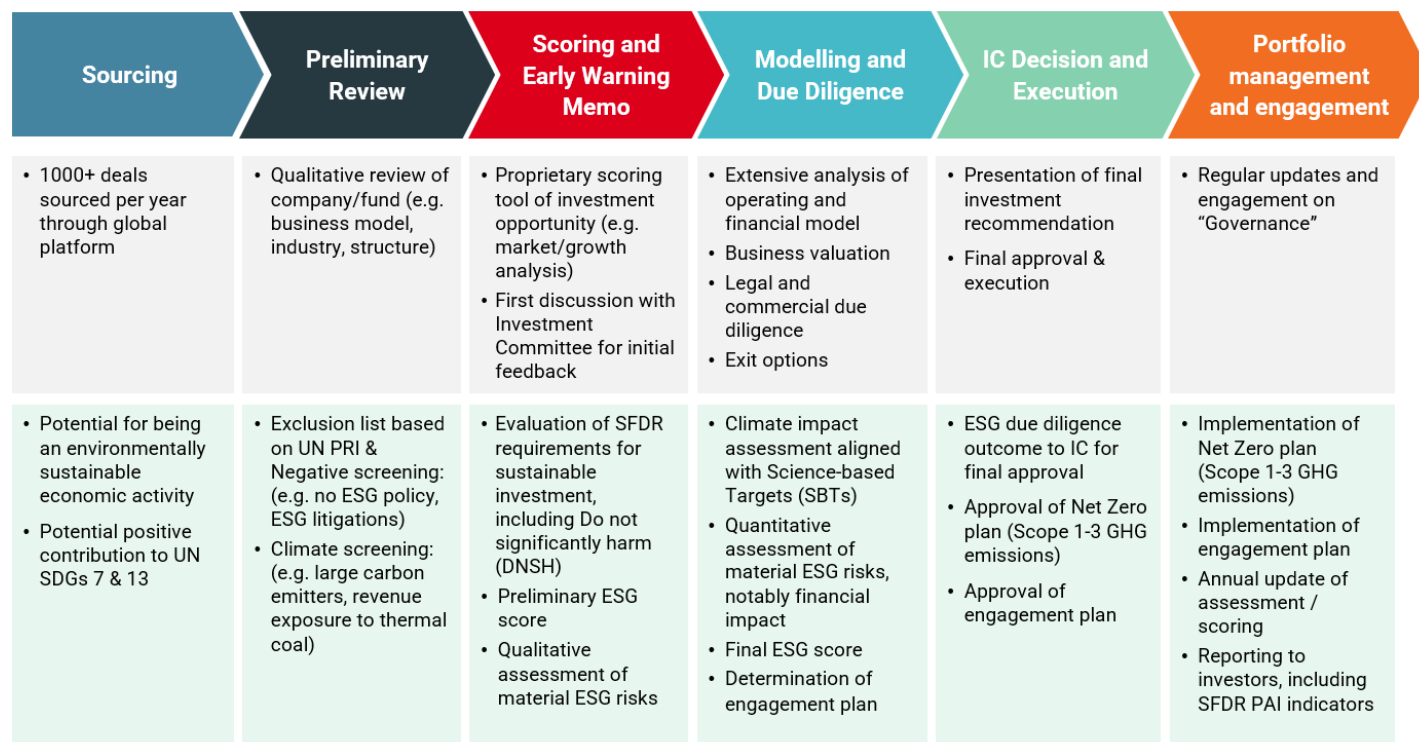
Figure 16: ESG at every stage of the direct investment process





For our climate impact strategy, we have further strengthened the investment process as follows:

Figure 17: Investment process of the climate impact strategy



Step 1: Sourcing – Support to environmental and/or social themes

In direct investments, we look for companies whose respective economic activity supports one or more environmental and/or social themes we have selected (e.g. water management, waste recycling, elderly care, education, pharmaceuticals and health-related services). To complement the support to these themes, we will, in addition, assess whether the company's economic activities can be linked to one or more SDG targets (as defined in the 2030 Agenda for Sustainable Development) by means of a specific indicator.

In our climate impact strategy, we have the sustainable investment objective to invest in companies whose economic activities contribute at least to one of the following environmental objectives described in more detail in the EU Taxonomy: (i) climate change mitigation, (ii) climate change adaptation, (iii) transition to a circular economy and (iv) protection and restoration of biodiversity and ecosystems. The investments made pursuant to this strategy are aligned mostly with SDG 7 (Affordable and clean energy) and SDG 13 (Climate Action). For details on our climate impact strategy, please refer to our corporate website via the link provided in the Appendix.

Step 2: preliminary review - norm-based and exclusionary screening (ESG Pillars I & II)

At this preliminary stage, a new proposal is presented to a dedicated team for a review of certain qualitative criteria. These include an assessment of industry, geographic region and size as well as ESG criteria. ESG screening is performed using a proprietary ESG assessment tool.

1. ESG Pillar I: norm-based screening - exclusion list

Norm-based screening is the process of excluding companies associated with key social or environmental issues.

Any business that violates any of the following exclusion criteria is filtered out immediately: controversial weapons, tobacco producers, adult entertainment producers, thermal coal, predatory lending and companies that are not compliant according to UN Global Compact (UNGC). Please refer to Figure 6 for details.



2. ESG Pillar II: exclusionary screening

Negative or exclusionary screening is the process of excluding companies from an investment universe based on our expectations regarding specific ESG-related risks.

Further to norm-based screening, Unigestion considers three such exclusions: companies with no current ESG policy or no intention to introduce one, companies with ESG related litigations and high carbon emitters.

Companies with no current ESG policy or not intention to develop one

We exclude from the investment universe companies that do not have an ESG policy in place and do not intend to develop one during our ownership.

Companies with ESG related litigations

We exclude from the investment universe companies that have faced significant ESG-related litigations.

High carbon emitters

High carbon emitters are likely to face regulatory and pricing headwinds, and some activities may simply not be viable under strict scenarios. We exclude companies identified as high carbon emitters through a quantitative assessment if available or qualitative assessment.

If the results of the ESG screening process in the preliminary review is satisfactory, the deal is then progressed to the next stage of the process.

Step 3-5. scoring and early warning memo / modelling and due diligence / Investment Committee decision and execution – ESG guidelines (ESG Pillar III)

1. ESG risk assessment

Assessing ESG-related risks forms a key element of our overall analysis on investment opportunities. We perform a qualitative assessment of ESG-related risks of the investment opportunity based on the sector / industry and leveraging on both our internal experience and leading ESG tools in the private equity industry. The material ESG-related risks identified for the investment opportunity are formally documented in the Early Warning Memo for consideration by the Investment Committee.

During due diligence, the direct investment team performs a quantitative assessment of the material ESG-related risks, selecting KPIs measurable pre and post-investment and calculating the expected financial impact should the material ESG-related risks materialise (ESG stress scenario). The results of this quantitative assessment are documented in the investment recommendation alongside the remainder of the ESG due diligence outcome.

We have rejected a number of investments due to ESG-related risks. A recent example is a producer and bottler of premium quality, natural mineral water and organic beverages. This European company mainly ships its products to North America, raising concerns about the excessive use of plastic packaging and an elevated carbon footprint from transportation. These negative points were weighed against the positives, including the products' success in North America, driven by the trend towards healthier drinks (and away from high sugar soft drinks). There was some potential to address these issues through engagement measures by reducing the plastic used in the packaging and relocating the bottling process to North America. However, the conclusion was that the overall environmental cost of the products was too high, and engagement alone would not be sufficient to overcome the negative impact. At this point, the investment was rejected.

We believe that mitigating ESG-related risks strengthens the downside protection for investment returns and enables value creation. During the life of the investment, we monitor closely the evolution of the material ESG-related risks and their expected financial impact and proactively engage with companies to address those. Details of our engagement and active ownership are outlined below under "Step 6: Monitoring and Reporting".

2. Proprietary ESG scoring system

In 2019, we implemented a proprietary ESG scoring system with a view to ensure a consistent and comprehensive approach to ESG due diligence. According to this scoring system, each direct investment opportunity is rated out of 20. Investments are rated as follows: under 5 "Lagger", between 5 and 10 "Beginner", between 10 and 15 "Follower" and above 15 "Leader".

The score of each investment results from the measurement of 20 criteria from across the spectrum of ESG issues as part of the due diligence process. These criteria are summarised in our ESG radar - Figure 18 below - and detailed in Figures 19 and 20. Once the ESG score is determined, we adjust it on the basis of the impact of the industry in accordance with SASB materiality map. The industry impact is classified as "Low", "Medium" or "High" and a discount of up to 15% will be applied to the overall ESG score as shown on Figure 20 below.



We assess various key ESG performance indicators such as CO2 emission equivalents, recycling and water consumption, as well as the percentage of independent board members and women in the management team, just to name a few.

In Figures 19 and 20 we use an example of a Spanish manufacturer of active pharmaceutical ingredients for human and animal nutrition products to illustrate our proprietary scoring system.

Figure 19: Questions to ask prior to the due diligence process

| General ESG Inquiry (Part of Early Warning Memo) | | | | | Comment |
|--|--|-----|-----|---------|---|
| Max Rating | | | | | |
| 1 | Does the company have an ESG policy in place? | No | ✗ 0 | 0.5 / 1 | The candidate is part of a larger company (parent) and has adopted its parent's tools for management and internal control. The parent can be considered mature in this respect, despite not having a risk map, a remuneration policy or a CSR policy. The candidate is aware of the priority to develop ESG Corporate Governance tools as a result of the carve-out from the parent. |
| 2 | Did the company deal with any significant ESG related litigation or investigation during the last year(s)? | No | ✓ 1 | 1 / 1 | |
| 3 | Does the company have a dedicated ESG officer? | No | ✗ 0 | 0.5 / 1 | The candidate is aware of the need to create an ESG dashboard that tracks the main KPIs to be followed and goals to be achieved as a result of the carve-out from the parent. |
| 4 | Did the number of employees grow last year? | Yes | ✓ 1 | 1 / 1 | 23 new joiners in 2018 |
| 5 | Is training provided to employees on ESG considerations? | Yes | ✓ 1 | 1 / 1 | Every employee receives training on the Code of Conduct when joining the Company. In 2015, the parent developed its sustainability strategy under the slogan "Our Planet, Our Life", aimed at developing the company's activities through sustainable management of natural resources and minimising the environmental footprint of the product life cycle. The strategy revolves around five axes: mitigation and adaptation to climate change, sustainable management of natural resources, preservation of biodiversity, eco-innovation and sustainable development, and environmental awareness and training. Regarding Talent Development, the candidate has carried out an average of 28.3 hours of training per employee. This is mainly based on professional skills and technical training, with some language and computer training courses. |
| Preliminary ESG Score | | 3 | / 5 | | |



Figure 20: Questions to ask during the due diligence process

| Environment | | | | | Comment |
|-------------------|---|----------------|--------------------|-----|---|
| Max Rating | | | | | |
| 6 | Does the company have an environmental policy in place? | Yes | ✓ 1 | / 1 | The candidate's environmental approach is defined by the parent company, which has a Sustainability Plan as an umbrella for all its initiatives in this respect. The parent's materiality matrix applies to the candidate's reality, identifying climate change, water consumption and waste management as the top three environmental issues. There is a good awareness of the environmental risks relating to the candidate's activity and steps have been taken. |
| 7 | Does the company track its environmental footprint? | Yes | ✓ 1 | / 1 | The candidate's facility is one of the only ones within the parent that has an ISO 14001 certification. It therefore has other obligations, like fostering sustainable purchases and hiring (with a global commitment of a 10%), applying environmental awareness measures among its employees and reducing its carbon footprint (with a global commitment of a 25% reduction in scope 1 and scope 2 emissions). |
| | ▶ Please provide the CO ₂ equivalents in tons for the last calendar year | tons | na | - | |
| | ▶ Please provide the total revenues for the last calendar year | m EUR | 51.353 | - | |
| | ▶ Tons of CO ₂ e per 1 Mio USD revenue | | na | - | |
| | ▶ Please provide water consumption (m ³ for last calendar year) | m ³ | 653 m ³ | - | The parent developed a "Water Efficiency Plan" for the candidate's facility. This Plan, to be implemented in the period 2018-2020, aims at integrating efficiency measures into the production process. The target of this Plan is to reduce processed water consumption by up to 1% in the 2-year period. |
| | ▶ Please provide waste volume (tons for last calendar year) | tons | Na | - | |
| 8 | Do you offset your CO ₂ footprint? | Yes | ✓ 1.0 | / 1 | See the response to Question 7 |
| 9 | What % of your energy is renewable? | na | 80% | / 1 | The candidate's facility was subject to an energy efficiency audit, which identified some improvements to be implemented: sustainable construction certifications, on-site renewable energy consumption, high performance lighting and efficient equipment like generators, coolers and air compressors. To date, the facility has undergone the installation of solar panels and the substitution of all light devices. Thanks to this, and according to the parent's information, the plant has managed to reduce its energy consumption by 57%. |
| 10 | What % of the waste is recycled? | 100% | ✓ 1.0 | / 1 | The parent developed an ambitious waste management plan called "2025 Waste Program", to address waste management in the different facilities, including the candidate's production centres. Within this Plan, the Group aims at reducing the amount of waste generated, improvement of packaging used and the reduction of waste sent to landfill, among others. The candidate's facilities are aligned with this Program. First of all, one of its main ingredients are immature citric fruits, not interfering in human consumption fruits and transforming waste into a raw material. Additionally, this plant uses organic waste generated for secondary processes like sewage sludge and energetic valorisation. All the candidate's waste is destined for recovery and reuse, with the exception of some disposed of in landfill, in accordance with the waste acceptance document. |
| Environment Score | | | 4.8 | / 5 | |



| Social | | | | Comment |
|--------------|--|---------------------|-------------|--|
| Max Rating | | | | |
| 11 | Does the company have diversity initiatives? | Yes | ✓ 1 / 1 | In compliance with Law 3/2007, the parent has an Equality Plan. Following the recent approval of RD 6/2019 of 1 March on equality, the candidate must draw up its own Equality Plan within 2 years, which entails different obligations to the companies, mainly related to diversity within the workforce and the gender pay gap within categories. Regarding the gender pay gap, in general terms, there is a positive discrimination between the remuneration of women and men, in both the lower and higher categories. |
| 12 | Does the company support | | | |
| | ▶ well-being initiatives? | Yes | ✓ 0.5 / 0.5 | The parent's considerations for the safety of employees are included in its Occupational Health and Safety Policy, approved in 2017. This policy establishes the need to identify the risks of each job, as well as to evaluate them, implement preventive practices, develop procedures and tools aimed at minimising risk, carry out health surveillance of workers adapted to each situation and empower employees to improve their own health through health promotion strategies and healthy lifestyle habits. Within this framework, the parent set the following targets for 2019: (i) Reduction of accident rate, (ii) Drafting of corporate occupational risk prevention procedures and (iii) Increased legal compliance at production centres. |
| | ▶ community engagement and charity initiatives? | Yes | ✓ 0.5 / 0.5 | |
| 13 | Does the company have a remuneration committee? | No | ✗ 0 / 1 | Remuneration is another powerful talent retention tool the candidate has to attract and retain talent. The average salary is around €40,470, which is above the average for the sector (€38,336). All employees receive a base salary with personal complements and variable remuneration linked to the Company's annual targets. The parent is in the process of introducing a performance procedure to link salary increases to employee performance. |
| 14 | Please report the number of work related health and safety incidents | # of incidents 2 | ✗ 0 / 1 | According to the information provided, the accident rate has remained stable between 2017 and 2018 with two accidents. This accident rate is aligned with the sectorial average. Employees receive specific training based on the type of risk they are exposed to in their daily activity (for example: protection against electrical risk, training in first aid, training in explosive atmospheres). |
| 15 | What was the absenteeism rate (incl. Illness leave) during the last calendar year? | na | ! 0.0 / 1 | |
| Social Score | | 2 | / 5 | |

| Governance | | | | Comment |
|------------|---|-----|---------------|--|
| Max Rating | | | | |
| 16 | Does the company have the following policies in place? | | | |
| | ▶ Corporate Code of Conduct and/or Corporate Code of Ethics | Yes | ✓ 0.25 / 0.25 | The candidate relies on the parent to address issues relating to business ethics, ie, the company does not have independent tools such as ABAC systems or procedures. In this respect, the parent has a "Code of Conduct" that covers issues such as corruption, public health, environmental performance and intellectual property. This "Code of Conduct" must be accepted by anyone belonging to the parent's organisational structure as a requirement. It contains a protocol of action in case of non-compliance. The candidate is aware of the need to develop its own Ethics policy as a consequence of the carve-out process. |
| | ▶ Whistleblowing Policy | Yes | ✓ 0.25 / 0.25 | The Group meets the requirements established in the Organic Law 10/1995 on criminal risks prevention. This means that the parent counts with a criminal risks map where the criminal risks to which the Group is exposed have been identified, a criminal risks |



| Governance | | | | | Comment |
|--|-----|--------|--------|---------------------------------------|--|
| | | | | | prevention committee, an ethics committee, an ethics code, a whistle-blower channel and a crime prevention system. |
| ▶ Anti-money laundering, anti-bribery, anti-corruption | Yes | ✓ 0.25 | / 0.25 | | See the response to 'Whistleblowing Policy' above |
| ▶ Others (please state) | Yes | ✓ 0.25 | / 0.25 | | See the response to 'Whistleblowing Policy' above |
| 17 What percentage of the executive management team is female? | 0% | ! 0.0 | / 1 | | |
| 18 What percentage of the board members are independent? | 40% | ! 0.8 | / 1 | | |
| 19 Does the company have a separate and independent audit committee? | No | ✗ 0 | / 1 | | |
| 20 Is there a succession plan? | No | ✗ 0 | / 1 | | |
| Governance Score | | 1.8 | / 5 | | |
| SASB Industry Impact | | Low | | | |
| Total ESG Score | | 11.6 | / 20 | Unigestion's classification: Follower | |

Source: Unigestion, May 2020. Finally, the ESG score is included in the investment recommendation and the Investment Committee will review and assess whether:

- ▶ The company already has “best in class” ESG metrics, or
- ▶ There is a clear path to “best in class” via active engagement.

It is important to note that low scores will not necessarily result in the exclusion of a candidate. We first assess the “engagement potential” of low scoring companies i.e., their potential to drive ESG-related improvements through a gradual and long-term engagement process during our holding period.

The ESG analysis is primarily performed internally and the investment team prepares all material for the investment review in parallel with the investment due diligence. All relevant information is acquired directly from investment documents (often supported by additional documents prepared by investment banks or intermediaries) and/or from companies themselves. The investment team then evaluates and verifies the information provided.

3. ESG Pillar III: ESG Guidelines

The ESG score of each direct investment is reviewed on annual basis. We require our portfolio of direct investments to demonstrate an aggregate ESG score improvement vs. the pre-investment assessment on annual basis. This is achieved through our ESG risk assessment and our engagement with the companies during their holding period. Details on our engagement and active ownership are outlined below under “Step 6: Monitoring and Reporting”.

Step 6: monitoring and reporting – engagement (ESG Pillar IV)

The direct investment team integrates ESG criteria into their day-to-day practices and monitors their progress on an ongoing basis as part of a continuous engagement programme. ESG is embraced as a key value driver of every direct investment.

As outlined above, portfolio companies are assigned an overall ESG score as part of the due diligence of a set of ESG criteria. In order to drive high ESG standards, for each criterion, a tailored engagement plan is implemented and priorities are allocated depending on the scale of the issue and the potential for improvement. The material ESG-related issues are then relayed back to the portfolio company to establish a plan for addressing them.

The level of engagement and the action required will differ on a case-by-case basis. Examples of engagement might be optimising processes to reduce energy and water consumption (e.g. through the installation of drop-by-drop irrigation systems), or improving governance mechanisms.

From this point onwards, each company is reassessed against the ESG criteria on an annual basis to measure improvements and to readjust any measures taken. An annual report is then published internally to inform the Investment Committee and a formal annual ESG report is shared with the investors. In addition, our funds' quarterly reports also report on ESG matters which are updated on an annual basis.



ESG integration in private equity fund investments

The fund investment team follows a systematic and disciplined multi-phase investment selection process in addition to their responsibilities for the origination, execution and active monitoring of fund investments.

ESG considerations are integrated across our fund investment process as shown and detailed in the following:

Figure 21: ESG across the fund investment process



Step 1: preliminary review - norm-based and exclusionary screening (ESG Pillars I & II)

Step 2 of ESG integration in direct strategies, outlined above, also applies to fund investments (primaries and secondaries).

Steps 3-5: scoring and early warning memo / modelling and due diligence / Investment Committee decision and execution – ESG guidelines (ESG Pillar III)

1. ESG risk assessment

Assessing ESG-related risks forms a key element of our overall analysis on investment opportunities. We perform a qualitative assessment of ESG-related risks based on target sectors / industries of the fund, particularly in the case of sector focused funds and existing investees. As for direct investments, we leverage on both our internal experience and leading ESG tools in the private equity industry. The material ESG-related risks identified for a given investment are formally documented in the Early Warning Memo for consideration by the Investment Committee.

During the due diligence, the fund investment team perform a quantitative assessment of the material ESG-related risks, selecting KPIs measurable pre and post-investment and calculating the expected financial impact should the material ESG-related risks materialise (ESG stress scenario). The results of this quantitative assessment are documented in the investment recommendation alongside the remainder of the ESG due diligence outcome.

2. Proprietary ESG scoring system

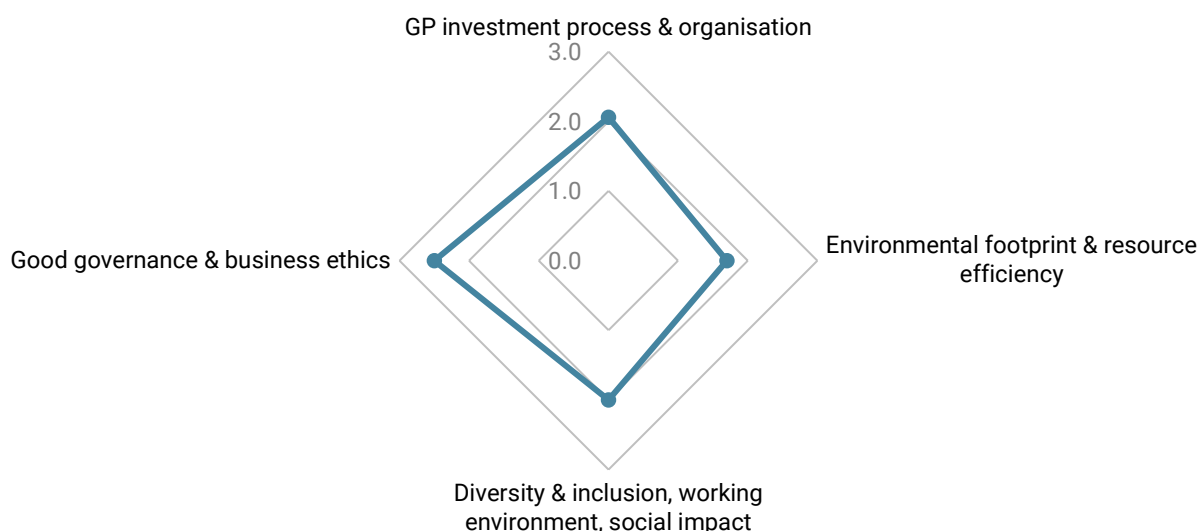
In 2019, we implemented a proprietary ESG scoring system with a view to ensure a consistent and comprehensive approach to our ESG due diligence. According to this scoring system, each fund investment is rated out of 3. Investments are rated as follows: under 1.5 "Lagger", between 1.5 to 2 "Beginner", between 2 to 2.4 "Follower" and above 2.5 "Leader".

The score of each investment results from the measurement of 42 criteria from across the spectrum of ESG issues as part of the due diligence process. This criterion is obtained via the completion of a questionnaire and is summarised in our ESG radar - see Figure

Read more of our latest investment thinking online: www.unigestion.com/insights

22. In case of sector focused funds, once the ESG score is determined, we adjust it on the basis of the impact of the sector in accordance with SASB materiality map. The sector impact is classified as “Low”, “Medium” or “High” and a discount of up to 15% will be applied to the overall ESG score.

Figure 22: ESG radar



Various key ESG performance indicators are assessed during our due diligence, such as CO2 emissions, recycling and water consumption, as well as the percentage of independent board members and women in the management team, just to name a few.

The resources dedicated to ESG analysis during the due diligence process are mostly internal. The fund investment team prepares all of the material for the investment review in parallel with the investment due diligence.

To achieve and enforce the application of our ESG framework, the fund investment team negotiates a side letter agreement with the managers.

In these side letter agreements, it is stipulated that the manager acknowledges that Unigestion has formally committed to the application of the PRI (Principles for Responsible Investment) instituted by the United Nations (www.unpri.org). As such, Unigestion pays particular attention to respecting the international law on human rights, as well as the application of ESG criteria to the management of its private equity fund portfolios.

The manager also confirms that:

- ▶ The fund has and maintains an ESG policy and that, with respect to each prospective Investment in which the Partnership may invest, the manager carries out, or procures an assessment of the prospective Investment, to assess the environmental impacts and determine whether the Investment is acceptable in environmental and social terms, including environmental and social due diligence to ensure that potential risks and appropriate prevention, mitigation and compensation measures are identified through an environmental and social impact screening/assessment, when relevant, including satisfactory and meaningful public consultation and participation, as well as ensuring compliance with any applicable EU directives and the applicable national laws and regulations on environmental and social matters.
- ▶ They will consider and use reasonable commercial endeavours to implement or procure the implementation of the fund's ESG policy in making and managing each Investment. The manager further agrees to provide to Unigestion a summary of any material ESG incidents as well as of any portfolio company whose management approach would be inconsistent with certain collective values that contribute to ESG development.
- ▶ The fund will include details of the ESG performance of the Partnership's portfolio companies within at least its annual report.
- ▶ Will provide updates on the ESG performance of the Partnership's portfolio companies upon request from Unigestion.
- ▶ They will use their commercially reasonable efforts to respond to a due diligence questionnaire annually provided to the manager by Unigestion. This questionnaire will be an update to the version provided by the manager during the investor's due diligence process.
- ▶ They agree to discuss the responses to the due diligence questionnaire with Unigestion, with a particular focus on those areas which require improvement.



Furthermore, the manager also confirms that the Fund will not invest in any company that derives any portion (other than an ancillary portion) of its income from a business in the Exclusion List.

3. ESG Pillar III: ESG guidelines

The ESG score of each fund investment is reviewed on annual basis. We require our portfolio of fund investments to demonstrate an aggregate ESG score improvement vs. the pre-investment on an annual basis. This is achieved through our ESG risk assessment and our engagement with the fund managers during the life of the funds. Details on our engagement and active ownership are outlined below under “Step 6: Monitoring and Reporting”.

Step 6: monitoring and reporting - engagement (ESG Pillar IV)

The fund investment team integrates ESG issues into their day-to-day practices and monitors the progress on an ongoing basis as part of a continuous engagement programme. As outlined above, fund investments are assigned an overall ESG score as part of the due diligence. In the event that any specific issue is identified, a report will be sent to the manager to establish a plan for addressing it. We follow a policy of active ownership, raising ESG concerns both in bilateral interactions with fund managers and via our role on Advisory Boards of funds.

The level of engagement and the action required will differ on a case-by-case basis.

In order to drive best-in-class ESG standards, we actively engage with our managers post-investment. We then reassess each manager against the ESG criteria on an annual basis to measure any development and to readjust any measures taken.

An annual report is then published internally to inform the Investment Committee and a formal annual ESG report is shared with the investors. In addition, our funds’ quarterly reports also include the evolution of ESG scores which are updated on an annual basis.



APPENDIX

Relevant Documents

All of the below documents can be found on our website with the following link:

- ▶ Remuneration Policy under AIFMD
- ▶ ESG scoring methodology
- ▶ Corporate Social Responsibility Report
- ▶ Proxy Voting Policy
- ▶ Proxy Voting Reports
- ▶ Engagement Policy
- ▶ Engagement Reports
- ▶ PRI Transparency Report
- ▶ PRI Assessment Report
- ▶ Responsible Investment Annual Report
- ▶ Equity Flagship funds' ESG Reports
- ▶ SRI-Label Transparency Codes for relevant Equity funds

Web link : <https://www.unigestion.com/responsible-investment/policies-and-reporting/>



Pillar I Norm Based Definitions

Exclusion of non-compliant companies according to the UN Global Compact

Launched in 2000, the UN Global Compact (UNGC) is the largest supranational sustainability initiative in the world.

According to the UNGC, *“corporate sustainability starts with a company’s value system and a principles-based approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption”*.

Its mission is to support companies to do business responsibly by aligning their operations and strategies with 10 aforementioned principles, within four categories; human rights, labour rights, environmental issues and business ethics & corruption.

We consider these principles to be standards to which all our investee companies must adhere. We will therefore exclude any non-compliant company that, after careful deliberation by our team of fundamental equity analysts, is held to be in violation of these principles.

Exclusion of controversial weapons

Unigestion does not invest in companies that are involved in the production or distribution of controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons, depleted uranium ammunitions, nuclear weapons) as defined by UN conventions. These weapons are recognised as illegal by international conventions such as the Ottawa Treaty, which prohibits landmines.

We believe these companies represent high financial, compliance and reputational risks. Consequently, we exclude the companies below from our investment universe across the firm.

Exclusion of adult entertainment producers

We recognise that the sector is deemed unethical in many instances and it may profit from harmful activities. However, in this case we only exclude the producers with more than 10% of their revenue coming from this activity, not the so-called distributors.

Exclusion of tobacco producers

We view the sector as unethical because it profits from harmful activities. There is growing pressure from the World Health Organisation Framework Convention on Tobacco Control and other institutions to develop legislation to reduce the number of smokers. The UN Global Compact excluded tobacco companies in 2017. From a business point of view, tobacco is suffering from declining sales in combustibles (traditional cigarettes). Next-generation products are failing to offset this trend despite lower margins and they also carry potential health risks. Given high reputational and litigation risk, and acknowledging that engagement is not likely to lead to any changes, we decided to exclude all tobacco producers from our investment universe.

Exclusion of thermal coal exposure

In line with the aims of the Paris Agreement to reduce greenhouse gas emissions and address climate change issues, we exclude companies with considerable revenue exposure to thermal coal, i.e. with more than 10% of their revenue coming from this activity.

Exclusion of companies involved in predatory lending

Predatory lending refers to any lending practice that imposes unfair and abusive loan terms on borrowers. We therefore exclude any lending organisation that engages in such practices.



SFDR Glossary

Any investment or asset can be simultaneously viewed considering ESG dimensions. Dependent on the context, ESG dimensions can have different relationships with each other, e.g. they can be independent of each other, or positively or negatively correlated.

ESG factors can be viewed from the following **ESG dimensions**:

| | |
|---|---|
| ESG-related financial risk / sustainability risk | <p><i>"Environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the <u>value of the investment</u> arising from an adverse sustainability impact"⁴</i></p> <p>ESG-related financial risks could impact credit spreads and rates of return, ratings, future cash flows, valuations of <u>financial and real assets</u>. In this context, these risks directly affect the <u>assets managed by us on behalf of our clients</u>.</p> <p><u>Example</u>: The introduction of a CO2 tax could lead to a material increase in cost, and a subsequent decrease in expected returns.</p> |
| Other ESG-related risks | <p>Other ESG-related risks can cause an actual or potential material negative impact on the <u>equity value of the Unigestion Group entities</u> arising from an adverse sustainability impact.</p> <p>Other ESG-related risks are usually part of <u>strategy, reputational and operational risks</u> and integrated into the firm's corporate risk management framework.</p> <p><u>Example</u>: Investing in companies with non-transparent social standards may cause reputational damage for Unigestion at a number of levels, affecting Unigestion's attractiveness as an employer or service provider, resulting in increased employee turnover and the loss of potential and existing clients.</p> |
| ESG-related opportunities | <p>ESG-related opportunities can cause an actual or a potential material positive impact on the <u>equity value of Unigestion and / or the value of the investments made by Unigestion on behalf of our clients</u>.</p> <p><u>Example</u>: An acquisition of environmentally friendly equities today might represent a financial opportunity / increase of the market value over time if the demand and the political support for environmentally friendly assets increases over time.</p> |
| Label-based ESG compliance | <p>An <u>investment, an entity, a process or any other object</u> fulfilling certain requirements as outlined by a particular standard or label reference guide and earning an outcome (e.g. rating, certificate) based on that particular standard.</p> <p><u>Example</u>: An investment is classified as an "environmentally sustainable investment" based on the EU Taxonomy.</p> |
| Positive impact investments | <p>"[Positive] impact investments" are investments made with the intention to generate a <u>positive, measurable social and environmental impact alongside a financial return</u>⁵. Positive impact investments can, but do not necessarily have to, be sustainable investments.</p> <p><u>Example</u>: A portfolio company generates 100% of its revenues from health services.</p> |
| Sustainable Investment | <p><i>"Sustainable investment" means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance"</i>⁶</p> <p>Example: Unigestion identifies that a candidate company for investment positively contributes to one SDG, does not significantly harm any other SDGs, and follows good governance practices. Therefore, Unigestion classifies the investment as a sustainable investment.</p> |

⁴ Art. 2(22) SFDR

⁵ The Global Impact Investing Network (GIIN). October 2019.

⁶ Art. 2 (17) SFDR



| | |
|--|---|
| Negative impact / Principal Adverse Impact (PAI) on Sustainability Factors | Negative impact means an adverse impact on sustainability factors ⁷ caused by an investment. Example: An asset invested in by a Unigestion account causes water pollution. |
| Responsible Investment (UN PRI) | Based on the UN PRI definition "ESG as a lens through which investors can <u>identify potential investment risks and opportunities in a systematic way</u> ⁸ " <u>Example:</u> Unigestion acquires an asset after carefully considering ESG-related risks and opportunities as part of the investment decision. During the acquisition process, Unigestion could identify effective engagement strategies in order to reduce the ESG-related risks. |

Example: An investment into an eco-friendly technology company might be considered an impact investment as well as fulfil certain green standards (e.g. based on the EU Taxonomy). At the same time, it might also present an investment opportunity in light of the rising demand for green investments. The investment can still be subject to an ESG-related market risk, e.g. due to a high increase in the number of competitors in the market.

ESG risks are not considered to be separate risk categories but rather factors / sub-risks of the existing risk categories such as credit risk or reputational risk, for instance. Since most regulatory frameworks consider ESG-related risks to be part of the existing risk categories, Unigestion also defines ESG-related risks as **part of the existing risk categories, however we separately assess those risks on a stand-alone basis due to their specific nature.**

⁷ Art. 2 (24) SFDR

⁸ UN PRI (2019). „Responsible investment overview “.



IMPORTANT INFORMATION

This document is provided to you on a confidential basis and must not be distributed, published, reproduced or disclosed, in whole or part, to any other person.

The information and data presented in this document may discuss general market activity or industry trends but is not intended to be relied upon as a forecast, research or investment advice. It is not a financial promotion and represents no offer, solicitation or recommendation of any kind, to invest in the strategies or in the investment vehicles it refers to. Some of the investment strategies described or alluded to herein may be construed as high risk and not readily realisable investments, which may experience substantial and sudden losses including total loss of investment.

The investment views, economic and market opinions or analysis expressed in this document present Unigestion's judgement as at the date of publication without regard to the date on which you may access the information. There is no guarantee that these views and opinions expressed will be correct nor do they purport to be a complete description of the securities, markets and developments referred to in it. All information provided here is subject to change without notice. To the extent that this report contains statements about the future, such statements are forward-looking and subject to a number of risks and uncertainties, including, but not limited to, the impact of competitive products, market acceptance risks and other risks.

Data and graphical information herein are for information only and may have been derived from third party sources. Although we believe that the information obtained from public and third party sources to be reliable, we have not independently verified it and we therefore cannot guarantee its accuracy or completeness. As a result, no representation or warranty, expressed or implied, is or will be made by Unigestion in this respect and no responsibility or liability is or will be accepted. Unless otherwise stated, source is Unigestion. Past performance is not a guide to future performance. All investments contain risks, including total loss for the investor.

Unigestion SA is authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA). Unigestion (UK) Ltd. is authorised and regulated by the UK Financial Conduct Authority (FCA) and is registered with the Securities and Exchange Commission (SEC). Unigestion Asset Management (France) S.A. is authorised and regulated by the French "Autorité des Marchés Financiers" (AMF). Unigestion Asset Management (Canada) Inc., with offices in Toronto and Montreal, is registered as a portfolio manager and/or exempt market dealer in nine provinces across Canada and also as an investment fund manager in Ontario, Quebec and Newfoundland & Labrador. Its principal regulator is the Ontario Securities Commission. Unigestion Asset Management (Düsseldorf) SA is co-regulated by the "Autorité des Marchés Financiers" (AMF) and the "Bundesanstalt für Finanzdienstleistungsaufsicht" (BAFIN).